COPY

-Application

Turner Surgery Center

CN1503-009

BUTLER | SNOW

March 13, 2015

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Turner Surgery Center, Certificate of Need Application

Dear Ms. Hill:

Please find enclosed, in triplicate, the certificate of need application referenced above, along with a check for the filing fee in the amount of $3,000.

Thank you for your attention to this filing.

Very truly yours,

BUTLER SNOW LLP

Dan H. Elrod

DHE/bf
Enclosures

ButlerSnow 25149001v1

The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201

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1. ***Name of Facility, Agency, or Institution***

Turner Surgery Center
Name

Suite 210, 28 White Bridge Road — Davidson
Street or Route — County

Nashville — TN — 37205
City — State — Zip Code

2. ***Contact Person Available for Responses to Questions***

Dan Elrod — Attorney
Name — Title

Butler Snow LLP — dan.elrod@butlersnow.com
Company Name — Email address

150 3rd Avenue South, Suite 1600 — Nashville — TN — 37201
Street or Route — City — State — Zip Code

Attorney — (615) 651-6702 — (615) 651-6701
Association with Owner — Phone Number — Fax Number

3. ***Owner of the Facility, Agency or Institution***

Turner Surgery Center, LLC — (615) 383-2442 ext. 118
Name — Phone Number

Suite 210, 28 White Bridge Road — Davidson
Street or Route — County

Nashville — TN — 37205
City — State — Zip Code

4. ***Type of Ownership of Control (Check One)***

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	X
D. Corporation (For Profit)		I. Other (Specify)_____	
E. Corporation (Not-for-Profit)			

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5. ***Name of Management/Operating Entity*** ***(If Applicable)***

Name

Street or Route

County

City

State

Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. ***Legal Interest in the Site of the Institution*** ***(Check One)***

A. Ownership _____
B. Option to Purchase _____
C. Lease of ___5___ Years _____
D. Option to Lease __X__
E. Other (Specify) _____ _____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

7. ***Type of Institution*** ***(Check as appropriate--more than one response may apply)***

A. Hospital (Specify) _____ _____
B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____
C. ASTC, Single Specialty __X__
D. Home Health Agency _____
E. Hospice _____
F. Mental Health Hospital _____
G. Intellectual Disability Institutional Habilitation Facility (IDIHF) (ICF/IID formerly (ICF/MR) _____
H. Nursing Home _____
I. Outpatient Diagnostic Center _____
J. Rehabilitation Facility _____
K. Residential Hospice _____
L. Nonresidential Substitution-Based Treatment Center for Opiate Addiction _____
M. Birthing Center _____
N. Other Outpatient Facility _____
O. Other (Specify) _____ _____

8. ***Purpose of Review*** ***(Check as appropriate--more than one response may apply)***

A. New Institution __X__
B. Replacement/Existing Facility _____
C. Modification/Existing Facility _____
D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify)_____ _____
E. Discontinuance of OB Services _____
F. Acquisition of Equipment _____
G. Change in Bed Complement [*Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation*] _____
H. Change of Location _____
I. Other (Specify) _____ _____

9. ***Bed Complement Data***

Please indicate current and proposed distribution and certification of facility beds.

	Current Beds Licensed	Current Beds *CON	Staffed Beds	Beds Proposed	TOTAL Beds at Completion
A. Medical					
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility - SNF (Medicare only)					
M. Nursing Facility – NF (Medicaid only)					
N. Nursing Facility – SNF/NF (dually certified Medicaid/Medicare)					
O. Nursing Facility – Licensed (non-Certified)					
P. IDIHF					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL					

*CON-Beds approved but not yet in service

10. **Medicare Provider Number** Will be applied for.

Certification Type Ambulatory Surgical Treatment Center

11. **Medicaid Provider Number** Will be applied for.

Certification Type Ambulatory Surgical Treatment Center

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?**

__X__ Yes

_____ No

_____ NA

13. **Will this project involve the treatment of TennCare participants?** Yes; the facility intends to contract with all TennCare MCOs serving Middle Tennessee.

NOTE: ***Section B*** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. ***Section C*** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility, staffing, and how the project will contribute to the orderly development of adequate and effective healthcare.

The applicant, Turner Surgery Center, LLC, proposes to establish a specialty ambulatory surgical treatment center ("ASTC") with one procedure room in leased space of approximately 1,980 square feet at Suite 210 of the Anderson Building located at 28 White Bridge Road, Nashville, TN 37205. [Note: The applicant was originally organized as Turner Spine Institute, PLLC. Documents to change the entity to Turner Surgery Center, LLC, have been filed with Tennessee Secretary of State's office, and request will be processed within the next few days.] The leased space was formerly occupied by MUA of Middle Tennessee and operated as an ASTC in which manipulation under anesthesia was performed. MUA has vacated the space and this former ASTC facility is currently not used for any purpose.

Turner Surgery Center, LLC, is solely owned by Dr. William Schooley (see CV attached as Attachment B, I), a board-certified neurosurgeon who practices in the group Neurosurgical Associates, a group of six (6) neurosurgeons with their principal office at 2400 Patterson Street, Nashville, TN, close to HCA TriStar Centennial Medical Center. Currently, Dr. Schooley is the only member of his group who performs outpatient surgical procedures to implant spinal cord neurostimulators for pain management. Dr. Schooley seeks, through Turner Surgery Center, LLC to establish a specialty ASTC limited to implantation of spinal cord neurostimulators and other pain management procedures. Although the project is planned on the assumption that it will be used only by Dr. Schooley for implantation of neurostimulators, it is possible in the future that Dr. Schooley and other physicians, including Dr. Schooley's colleagues at Neurosurgical Associates, may want to use the facility to perform spinal injection procedures and other pain management procedures on their patients.

Because the project will occupy a facility that has been formerly licensed and operated as an ASTC, and, in light of the limited scope of the proposed ASTC, only minimal capital expenditures will be required. The applicant will lease a C-arm and it will only need to purchase minor equipment and furnishings. The total project cost, including the aggregate of lease payments in the initial term of the lease, is $544,150.

The service area for the project is composed of Davidson, Rutherford and Wilson counties, which are the counties in which approximately 50% of Dr. Schooley's patients reside (Davidson – 19%; Rutherford – 24%; Wilson – 7%). The origin of Dr. Schooley's patients beyond these three (3) counties is widely diffused throughout numerous counties, with 24 counties having percentages of origin ranging from 1% to 4%. In light of how widely scattered Dr. Schooley's patients are, and because the only meaningful concentration of patients occurs in Davidson, Rutherford and Wilson counties, Dr. Schooley has determined that these three (3) counties should be identified as the service area for this project.

The need for this project is based on the difficulty Dr. Schooley has encountered in scheduling procedures for his patients at other facilities. Currently, Centennial Surgery Center, ("CSC") is the only surgery center in the Service Area where Dr. Schooley has privileges to perform implantation services. However, some of Dr. Schooley's patients are reluctant to use CSC because of its location in a congested, high-traffic area. More importantly, it has become increasingly difficult for Dr. Schooley to use CSC because the types of procedures he performs are a low priority for CSC and he has trouble getting cases scheduled there. In addition, at CSC or other facilities Dr. Schooley has no control over the staff or type of neurostimulator device that is available for his patients. Dr. Schooley strongly prefers the Medtronic devices, but he cannot be assured of having access to them in the absence of having his own

The proposed project will be entirely funded by Dr. Schooley. As previously discussed, because the proposed facility is a vacated ASTC, minimal expenditures are necessary beyond assuming the lease to a C-arm and purchasing minimal equipment and furnishings.

Dr. Schooley has the resources to fund the initial expenditures, and the facility will achieve positive financial results in the first year.

The facility will be staffed approximately two days per month, 10 hours per day. The clinical staff for the facility will consist of a registered nurse and a surgical tech

This project will contribute to the orderly development of health care because it will make efficient use of an existing unused resource, an ASTC that has been vacated. The project will facilitate the ability of Dr. Schooley's patients who suffer from significant, chronic pain to have access to a procedure that will provide relief. Dr. Schooley is contracted with all of the TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved, to contract with all TennCare MCOs.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

A. For the establishment or modification of a healthcare institution describe the development of and need for the proposal. Health care institutions include:

1. Nursing home
2. Hospital
3. Ambulatory Surgical Treatment Center
4. Birthing Center
5. Mental Health Hospital
6. Intellectual Disability Institutional Habilitation Facility

7. Home Care Organization (Home Health Agency or Hospice Agency)
8. Outpatient Diagnostic Center
9. Rehabilitation Facility
10. Residential Hospice
11. Nonresidential Substitution-based Treatment Center for Opiate Addition

Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applications with construction, modification and/or renovation costs should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

As described in Section I, the project will occupy an existing facility of approximately 1,980 square feet, which was formerly occupied by MUA of Middle Tennessee as a licensed ASTC. However, MUA has vacated the space, the MUA license has expired, and this former ASTC facility is currently not used for any purpose. Because the proposed space was formerly operated as an ASTC, and due to the limited scope of the proposed ASTC, only minimal capital expenditures will be required to develop this project. The applicant will need to lease a C-arm and purchase minor equipment and furnishings.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

Response: Not applicable (NA).

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost / SF		
					Renovated	New	Total	Renovated	New	Total
B. Unit/Depart. GSF Sub-Total										
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF										
E. Total GSF										

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Hospital-Based Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Burn Units
4. Cardiac Catheterization Services
5. Child and Adolescent Psychiatric Services
6. Extracorporeal Lithotripsy
7. Home Health Services
8. Hospice Services
9. Magnetic Resonance Imaging (MRI)
10. Neonatal Intensive Care Unit
11. Opiate Addiction Treatment provided through a Non-Residential Substitution-Based Treatment Center for Opiate Addiction
12. Open Heart Surgery
13. Positron Emission Tomography
14. Radiation Therapy/Linear Accelerator
15. Rehabilitation Services
16. Swing Beds
17. Discontinuation of any obstetrical or maternity service
18. Closure of a Critical Access Hospital
19. Elimination in a critical access hospital of any service for which a certificate of need is required

Response: Not applicable (NA).

D. Describe the need to change location or replace an existing facility.

Response: Not applicable (NA).

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of $2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For major medical equipment (not replacing existing equipment):
    a. Describe the new equipment, including:
        1. Brief description of equipment including characteristics such as fixed or mobile; expected vendor and model (if known); for MRI use descriptors such as Tesla strength, open/closed bore; for linear accelerators use descriptors such as MeV strength, IMRT/IGRT/SRS capability; etc.;
        2. Total cost (As defined by Agency Rule 0720-9-.01(13))
            a. By Purchase or
            b. By Lease;
        3. Expected useful life;
        4. List of clinical applications to be provided;

5. Documentation of FDA approval; and

6. For mobile major medical equipment list all sites that the unit is currently serving and its current schedule of operations at those sites.

Response: Not applicable (NA).

b. Provide current and proposed schedules of operations.

Response: Not applicable (NA).

2. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

Response: Not applicable (NA).

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include**:

1. Size of site (***in acres***);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

See Attachment B, III.(A).

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. ***(Not applicable to home health or hospice agency applications.)***

The proposed site is located on a major thoroughfare that is serviced by a Nashville Metro Transit Authority bus route that stops near the location approximately every twenty minutes. The proposed site sits approximately 0.6 miles of West End Avenue and 1.6 miles of Interstate 40.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper. ***(Not applicable to home health or hospice agency applications.)***

NOTE: ***DO NOT SUBMIT BLUEPRINTS***. Simple line drawings should be submitted and need not be drawn to scale.

See Attachment B, IV.

V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. *Please type each question and its response on an 8 1/2" x 11" white paper*. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth, if applicable.

   a. Please discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan. Please list each principle and follow it with a response.

      Response:

      Healthy Lives

      This project provides an accessible, cost-effective, comfortable option for individuals suffering significant, chronic pain, in need of relief.

      Access to Care

      The proposed facility promotes access to care in that it would enable certain patients suffering from significant, chronic pain to easily obtain pain management services. Currently, Dr. Schooley does not have privileges to provide the service contemplated by this application at any physician-owned practice in the service area. CSC is the only provider in the service area at which Dr. Schooley currently has privileges to implant neurosurgical stimulator devices for pain management; however, the proposed facility will better meet the needs of Dr. Schooley's patients for the reasons stated elsewhere in the application.

The project further promotes access to care as Dr. Schooley is contracted with all of the TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved, to contract with all TennCare MCOs and serve Medicare patients.

Economic Efficiencies

The proposed facility is economically efficient in that it will make use of an ASTC currently vacant and it will require minimal capital expenditures.

Quality of Care

Quality of care in the proposed facility is assured. Dr. Schooley is a board-certified neurosurgeon qualified to provide the services contemplated by this application. Should other physicians from desire to provide similar services at the proposed facility in the future, all qualifications will be met. The facility plans to qualify for accreditation by the Accreditation Association of Ambulatory Healthcare.

Health Care Workforce

The facility will support the development of the health care workforce by offering training on occasion to other physicians on the use of the medical devices used by Dr. Schooley in the implantation procedures. Dr. Schooley is experienced in the implantation of spinal cord neurostimulator devices for pain management, and he is willing and able to provide demonstrations and training on the use of such devices.

b. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9 of the Guidelines for Growth) here.

Criterion and Standards for Ambulatory Surgical Treatment Centers:

Determination of Need

1. Need. The minimum numbers of 884 Cases per Operating Room and 1867 Cases per Procedure Room are to be considered as baseline numbers for purposes of determining Need.[1] An applicant should demonstrate the ability to perform a minimum of 884 Cases per Operating Room and/or 1867 Cases per Procedure Room per year, except that an applicant may provide information on its projected case types and its assumptions of estimated average time and clean up and preparation time per Case if this information differs significantly from the above-stated assumptions. It is recognized that an ASTC may provide a variety of services/Cases and that as a result the estimated average time and clean up and preparation time for such services/Cases may not meet the minimum numbers set forth herein. It is also recognized that an applicant applying for an ASTC Operating Room(s) may apply for a Procedure Room, although the anticipated utilization of that Procedure Room may not meet the base guidelines contained here. Specific reasoning and explanation for the inclusion in a CON application of such a Procedure Room must be provided. An applicant that desires to limit its Cases to a specific type or types should apply for a Specialty ASTC.

[1] The Division recognizes that estimated or average cleanup/preparation times and Case times may vary significantly by specialty and type of Case.

Response: The applicant is proposing a Specialty ASTC limited to the implantation of spinal cord neurostimulators and other pain management procedures. Dr. Schooley is currently the only member of his six-member practice, Neurosurgical Associates, to perform the implantation of spinal cord neurostimulators and it is anticipated that the facility will initially only be used by Dr. Schooley. The applicant expects that Dr. Schooley will use the facility approximately two days per month. Based on Dr. Schooley's analysis and judgment regarding his patients, the applicant projects serving 216 patients in the first year and 288 patients in the second year. Each case takes approximately 30 minutes, with an additional 10 minutes preparation time and 15 minutes for cleanup, totally 55 minutes per procedure.

In the future Dr. Schooley and other physicians may want to use the facility to perform spinal injection and other pain management procedures on their patients. If this occurs, the number of cases performed at the facility will increase.

2. Need and Economic Efficiencies. An applicant must estimate the projected surgical hours to be utilized per year for two years based on the types of surgeries to be performed, including the preparation time between surgeries. Detailed support for estimates must be provided.

   The applicant projects that the facility will be utilized approximately 198 surgical hours during the first year. This figure is based on a projection of 108 hours of procedure time (each of the projected 216 procedures taking an average time of 30 minutes) and 90 hours of preparation time (each procedure requiring 10 minutes of patient preparation time and 15 minutes to clean and prepare the room for the next case). During the second year, the applicant projects that the facility will be utilized approximately 264 surgical hours. This figure is based on a projection of 144 hours of procedure time (288 procedures taking an average time of 30 minutes each) and 120 hours of preparation time (each procedure requiring 10 minutes of patient preparation time and 15 minutes to clean and prepare the room for the next case). As mentioned elsewhere in the application, the applicant acknowledges the possibility that in the future other physicians may want to make use of the facility to perform spinal injection and other pain management procedures on their patients.

3. Need; Economic Efficiencies; Access. To determine current utilization and need, an applicant should take into account both the availability and utilization of either: a) all existing outpatient Operating Rooms and Procedure Rooms in a Service Area, including physician office based surgery rooms (when those data are officially reported and available[2]) OR b) all existing comparable outpatient Operating Rooms and Procedure Rooms based on the type of Cases to be performed. Additionally, applications should provide similar information on the availability of nearby out-of-state existing outpatient Operating Rooms and Procedure Rooms, if that data are available, and provide the source of that data. Unstaffed dedicated outpatient Operating Rooms and unstaffed dedicated outpatient Procedure Rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity.

[2] The Department of Health is currently in the rule-making process necessary to implement the statute requiring the collection of office-based surgery data (Public Chapter 373, 2007). The Division recognizes that the Department of Health does not have sufficient data available on hospital ambulatory/outpatient surgery rooms at this time to include them in the determination of need; however, the Division plans to work with stakeholders towards this goal.

See Attachment C, Need – 5 which shows existing comparable outpatient Operating Rooms and Procedure Rooms for ASTCs in the Service Area.

Currently, Centennial Surgery Center, ("CSC") is the only surgery center in the Service Area where Dr. Schooley has privileges to perform implantation services. However, some of Dr. Schooley's patients are reluctant to use CSC because of its location in a congested, high-traffic area. More importantly, it has become increasingly difficult for Dr. Schooley to use CSC because the types of procedures he performs are a low priority for CSC and he has trouble getting cases scheduled there. In addition, at CSC or other facilities Dr. Schooley has no control over the staff or type of neurostimulator device that is available for his patients. Dr. Schooley strongly prefers the Medtronic devices, but he cannot be assured of having access to them in the absence of having his own facility.

4. Need and Economic Efficiencies. An applicant must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON application to establish an ASTC or to expand existing services of an ASTC should not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed, if those services are know and relevant, within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above.

   Response: See Question 5.

5. Need and Economic Efficiencies. An application for a Specialty ASTC should present its projections for the total number of cases based on its own calculations for the projected length of time per type of case, and shall provide any local, regional, or national data in support of its methodology. An applicant for a Specialty ASTC should provide its own definitions of the surgeries and/or procedures that will be performed and whether the Surgical Cases will be performed in an Operating Room or a Procedure Room. An applicant for a Specialty ASTC must document the potential impact that the proposed new ASTC would have upon the existing service providers and their referral patterns. A CON proposal to establish a Specialty ASTC or to expand existing services of a Specialty ASTC shall not be approved unless the existing ambulatory surgical services that provide comparable services regarding the types of Cases performed within the applicant's proposed Service Area or within the applicant's facility are demonstrated to be currently utilized at 70% or above. An applicant that is granted a CON for a Specialty ASTC shall have the specialty or limitation placed on the CON.

   Response: If approved by the Agency, the applicant anticipates that the facility will initially be used by Dr. Schooley approximately two days per month. At this utilization rate, the applicant projects it will have 216 cases during the first year of operations and 288 cases during the second year – based on Dr. Schooley's experience with and knowledge of his patient base. Each case takes approximately 30 minutes, with an additional 10 minutes preparation time and 15 minutes for cleanup, totally 55 minutes per case.

   The potential impact that the proposed facility would have upon existing service providers and their referral patterns is minimal. As previously mentioned, the only facility where Dr. Schooley currently has privileges to provide implantation services is CSC, but these cases are a low priority for CSC.

It is possible in the future that Dr. Schooley and other physicians may want to use the facility to perform spinal injection procedures on their patients. The number of cases performed at the facility would increase if this occurs, but there are no definitive plans at this time to do so.

If the application is approved by the Agency, the facility will be limited to implantation of spinal cord neurostimulators and other pain management procedures, which will occur in a procedure room.

Other Standards and Criteria

6. Access to ASTCs. The majority of the population in a Service Area should reside within 60 minutes average driving time to the facility.

   Response: The majority of the population in the Services Area resides within 60 minutes average driving time to the facility.

7. Access to ASTCs. An applicant should provide information regarding the relationship of an existing or proposed ASTC site to public transportation routes if that information is available.

   Response: The facility is located on White Bridge Road, which is a major thoroughfare that is serviced by a Nashville Metro Transit Authority bus route that stops near the facility approximately every twenty minutes. The proposed facility sits approximately 0.6 miles of West End Avenue and 1.6 miles of Interstate 40.

8. Access to ASTCs. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project the origin of potential patients by percentage and county of residence and, if such data are readily available, by zip code, and must note where they are currently being served. Demographics of the Service Area should be included, including the anticipated provision of services to out-of-state patients, as well as the identity of other service providers both in and out of state and the source of out-of-state data. Applicants shall document all other provider alternatives available in the Service Area. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

   Response: The origin of potential patients can be seen in Attachment C, Need – 1.b.(8). Some of these patients are currently being served at CSC, but for the reasons described above, many of Dr. Schooley's patients who could benefit from the procedures are simply not having it done. The projected utilization of the ASTC is based on Dr. Schooley's knowledge and experience with respect to his patients.

   See Attachment C, Need – 5 for a list of ASTCs in the Service Area.

9. Access and Economic Efficiencies. An application to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following completion of the project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

Response: Projected patient utilization for each of the first eight quarters following completion of the project is 54 patients per quarter during the first year of operations and 72 patients per quarter during the second year of operations. The applicant assumes that the projected annual utilization will be distributed evenly throughout the year.

10. Patient Safety and Quality of Care; Health Care Workforce.

a. An applicant should be or agree to become accredited by any accrediting organization approved by the Centers for Medicare and Medicaid Services, such as the Joint Commission, the Accreditation Association of Ambulatory Health Care, the American Association for Accreditation of Ambulatory Surgical Facilities, or other nationally recognized accrediting organization.[3]

Response: The facility intends to become accredited by the Accreditation Association of Ambulatory Health Care.

b. An applicant should estimate the number of physicians by specialty that are expected to utilize the facility and the criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel. An applicant should provide documentation on the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.

Response: If the application is approved, the facility will be used initially only by Dr. Schooley to implant spinal cord neurostimulators for pain management. Dr. Schooley will contract for qualified staff assistance as needed, including a registered nurse and a surgical technician. Nashville is a vibrant medical center and the applicant is confident that there will be no difficulty in contracting qualified clinicians.

11. Access to ASTCs. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program;

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or

d. Who is proposing to use the ASTC for patients that typically require longer preparation and scanning times. The applicant shall provide in its application information supporting the additional time required per Case and the impact on the need standard.

Response: Dr. Schooley has a long, admirable commitment to the TennCare program. He is one of the few neurosurgeons in the area who has consistently contracted with all TennCare MCOs, with no limitation on the number of TennCare patients he will take.

[3] The Division recognizes that not all ASTCs can be CMS certified or accredited.

Currently over 40% of Dr. Schooley's patients are TennCare enrollees. Consistent with Dr. Schooley's history, the applicant intends to contract with all of the TennCare MCOs serving Middle Tennessee and to participate in the Medicare program.

c. Applications that include a Change of Site for a proposed new health care institution (one having an outstanding and unimplemented CON), provide a response to General Criterion and Standards (4)(a-c) of the Guidelines for Growth.

Response: Not applicable (NA).

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

The applicant does not currently have any long-range development plans for this facility. As described elsewhere in the application, Dr. Schooley will initially be the only physician using the facility, and although there are no definitive plans at this time to expand the facility's use, other physicians may want to use the facility in the future to perform spinal injection and other pain management procedures on their patients. If this occurs, the project will expand in that the utilization rate of the facility will increase.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

The applicant considers Davidson, Rutherford and Wilson counties as its primary service area, as approximately 50% of Dr. Schooley's patients reside in these counties (Davidson – 19%, Rutherford – 24%, Wilson – 7%). In light of how widely scattered Dr. Schooley's patients are, and because the only meaningful concentration of patients occurs in Davidson, Rutherford and Wilson counties, the applicant has determined that these three counties should be identified as the service area for this project.

See Attachment C, Need – 3.

4. A. 1) Describe the demographics of the population to be served by this proposal.

2) Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area:

Demographic Variable/ Geographic Area	Davidson County	Rutherford County	Wilson County	Service Area Total	State of TN Total
Total Population – Current Year	663,151	302, 237	126,472	1,091,860	6,649,438
Total Population – Projected Year	669,733	311,089	128,805	1,109,627	6,710,579
Total Population - % change	0.99%	2.9%	1.8%	1.63%	0.92%

Demographic Variable/ Geographic Area	Davidson County	Rutherford County	Wilson County	Service Area Total	State of TN Total
*Target Population – Current Year	77,086	28,650	18,939	124,675	1,012,937
*Target Population – Projected Year	79,897	30,201	19,863	129,961	1,042,071
Target Population - % Change	3.6%	5.4%	4.8%	4.2%	2.8%
Target Population – Projected Year as % of Total	11.9%	9.7%	15.4%	11.7%	15.5%
Median Age	33.9	32.2	39.3	35.13	38
Median Household Income	$47,335	$55,401	$60,390	$55,401	$44,298
TennCare Enrollees	133,164	42,469	16,506	192,139	1,324,208
TennCare Enrollees as % of Total	20.08%	14.05%	13.05%	17.59%	19.91%
Persons Below Poverty Level	121,841.4	36,533.7	12,438.4	170,813.5	1,143,292.1
Persons Below Poverty Level as % of Total	18.5%	13.0%	10.2%	16%	17.6%

**Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for the discontinuance of OB services would mainly affect Females Age 15-44; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. For projects not having a specific target population use the Age 65+ population for the target population variable.*

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: The focus of the project will be individuals suffering significant, chronic pain, who are in need of pain management care. The location of the proposed facility will increase access for Dr. Schooley's patients, as the location is in a less-congested area than CSC, the only other facility with which Dr. Schooley has privileges to provide implantation services for pain management. Additionally, the applicant expects to be contracted with all TennCare MCOs that operate in Middle Tennessee, and the facility will be accessible to low income individuals.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. Projects including surgery should report the number of cases and the average number of procedures per case.

Response: The chart provided in Attachment C, Need – 5 shows all ASTCs in the service area and each one's utilization for the most recent three years of data available for this type of project.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization through the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: The applicant projects a total of 216 cases during the first year and 288 cases during the second year of operation following completion of the project. This projection is based on Dr. Schooley's analysis and judgment regarding his patients.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least $3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)

- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

  Response: The fair market value of the portion of the building allocable to the applicant is $288,000. The applicant will occupy 3.2% of the building (1,980/62,500). Per the letter from the building owner (Attachment C, Economic Feasibility – 1 (Building FMV)), the aggregate lease payments for the initial 5-year term of the lease will be $330,000. As the aggregate lease payments to be made over the next five years are greater than the proportional fair market value of the space, the aggregate lease payments are used as building cost for the certificate of need application.

- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

  Response: Not applicable (NA).

- For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Please provide a letter that includes:

  1) a general description of the project;

2) estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements; and

3) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the most recent AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

Response: Not applicable (NA).

PROJECT COSTS CHART

A.	Construction and equipment acquired by purchase:		
	1.	Architectural and Engineering Fees	
	2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$60,000.00
	3.	Acquisition of Site	
	4.	Preparation of Site	
	5.	Construction Costs	
	6.	Contingency Fund	
	7.	Fixed Equipment (Not included in Construction Contract)	
	8.	Moveable Equipment (List all equipment over $50,000)	
	9.	Other (Specify) Other FF&E – office furniture, etc.	$50,000.00
B.	Acquisition by gift, donation, or lease:		
	1.	Facility (inclusive of building and land)	$330,000.00
	2.	Building only	
	3.	Land only	
	4.	Equipment (Specify) C-Arm Lease	$104,150.00
	5.	Other (Specify)	
C.	Financing Costs and Fees:		
	1.	Interim Financing	
	2.	Underwriting Costs	
	3.	Reserve for One Year's Debt Service	
	4.	Other (Specify)	
D.	Estimated Project Cost (A+B+C)		$544,150.00
E.	CON Filing Fee		$3,000.00
F.	Total Estimated Project Cost (D+E)		
		TOTAL	$547,150.00

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. ***(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)***

☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.

☐ D. Grants--Notification of intent form for grant application or notice of grant award; or

☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.

Response: Dr. Schooley's financial statement is attached at Attachment C, Economic Feasibility – 2.

☐ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response: The proposed project is reasonable in that it will efficiently repurpose an existing ASTC facility that otherwise does not serve patients, minimal capital expenditures are needed to implement the project, and Dr. Schooley is capable of personally financing the project through his wholly-owned LLC, Turner Surgery Center, LLC.

4. Complete Historical and Projected Data Charts on the following two pages--***Do not modify the Charts provided or submit Chart substitutions!*** Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should also include any management fees paid by agreement to third party entities not having common ownership with the applicant. Management fees should not include expense allocations for support services, e.g., finance, human resources, information technology,

legal, managed care, planning marketing, quality assurance, etc. that have been consolidated/centralized for the subsidiaries of a parent company.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: The project's average gross charge for each implantation of a neurostimulator will be $6,368; the average deduction is projected to be $3,515 and the average net charge is projected to be $2,853.

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in _____ (Month).

	Year_____	Year_____	Year_____
A. Utilization Data (Specify unit of measure)	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	$_____	$_____	$_____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	$_____	$_____	$_____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	$_____	$_____	$_____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	$_____	$_____	$_____
NET OPERATING REVENUE	$_____	$_____	$_____
D. Operating Expenses			
1. Salaries and Wages	$_____	$_____	$_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Taxes	_____	_____	_____
5. Depreciation	_____	_____	_____
6. Rent	_____	_____	_____
7. Interest, other than Capital	_____	_____	_____
8. Management Fees:			
a. Fees to Affiliates	_____	_____	_____
b. Fees to Non-Affiliates	_____	_____	_____
9. Other Expenses – Specify on Page 23	_____	_____	_____
Total Operating Expenses	$_____	$_____	$_____
E. Other Revenue (Expenses) – Net (Specify) _____	$_____	$_____	$_____
NET OPERATING INCOME (LOSS)	$_____	$_____	$_____
F. Capital Expenditures			
1. Retirement of Principal	$_____	$_____	$_____
2. Interest	_____	_____	_____
Total Capital Expenditures	$_____	$_____	$_____
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	$_____	$_____	$_____

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January.

		2015	2016
A.	Utilization Data (Specify unit of measure - **Procedures**)	216	288
B.	Revenue from Services to Patients		
1.	Inpatient Services	$ 0	$ 0
2.	Outpatient Services	1,375,557	1,834,076
3.	Emergency Services	0	0
4.	Other Operating Revenue (Specify) n/a	0	0
	Gross Operating Revenue	**$1,375,557**	**$1,834,076**
C.	Deductions from Gross Operating Revenue		
1.	Contractual Adjustments	$ 687,779	$ 917,038
2.	Provision for Charity Care	16,507	22,009
3.	Provisions for Bad Debt	55,022	73,363
	Total Deductions	**$ 759,308**	**$1,012,410**
NET OPERATING REVENUE		**$ 616,249**	**$ 821,666**
D.	Operating Expenses		
1.	Salaries and Wages	$ 21,120	$ 22,176
2.	Physician's Salaries and Wages	0	0
3.	Supplies (Clinical)	46,440	61,920
4.	Taxes	25,000	20,000
5.	Depreciation	10,000	10,000
6.	Rent	86,380	86,380
7.	Interest, other than Capital	0	0
8.	Management Fees:		
	a. Fees to Affiliates	0	0
	b. Fees to Non-Affiliates	0	0
9.	Other Expenses: IT, Billing, Ins, Maint, Accred, Cred, Legal, etc.	187,545	152,659
	Total Operating Expenses	**$ 376,485**	**$ 353,135**
E.	Other Revenue (Expenses) -- Net (Specify)	$ 0	$ 0
NET OPERATING INCOME (LOSS)		**$ 239,764**	**$ 468,531**
F.	Capital Expenditures		
1.	Retirement of Principal	$ 0	$ 0
2.	Interest	0	0
	Total Capital Expenditures	**$ 0**	**$ 0**
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES		**$ 239,764**	**$ 468,531**

HISTORAL DATA CHART – OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year _____	Year _____	Year _____
1.	$_____	$_____	$_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
Total Other Expenses	$_____	$_____	$_____

PROJECTED DATA CHART – OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year _____	Year _____
1. IT Lines	$ 9,600	$ 9,600
2. Billing – 4.5%	27,731.23	36,974.98
3. Repairs & Maintenance	30,812.48	41,083.31
4. Insurance	25,000.00	27,000.00
5. Office Supplies, License Renewal Fees, etc.	14,400.00	15,000.00
6. Credentialing	5,000.00	3,000.00
7. Consulting	10,000.00	5,000.00
8. Compliance	5,000.00	5,000.00
9. Legal/CON Fees	40,000.00	5,000.00
10. Accreditation	20,000.00	5,000.00
Total Other Expenses	**$ 187,543.72**	**$ 152,658.29**

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

The proposed total charge per procedure will be approximately $6,368. After contractual adjustments, provisions for charity care, and provisions for bad debt, the payment per procedure is expected to be approximately $2,853.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response: The average charge per procedure in the proposed facility is $6,368. The Medicare allowable for the implantation of a spinal cord neurostimulator is $3,533. The applicant is unaware of any source for charges by other facilities for this procedure. Based on 2013 Joint Annual Reports, the average charges per procedure at two (2) other ambulatory surgical treatment centers that specialize in pain management are as follows:

MUA of Middle Tennessee - $1,461

Tennessee Pain Surgery Center - $3,416

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness; how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

Response: The projected utilization rates will be sufficient to maintain cost-effectiveness. For 2015, the projected utilization rate is 216 procedures, which will result in gross operating revenue in the amount of approximately $1,375,557 and net operating revenue in the amount of approximately $616,249. After deductions for operating expenses and capital expenditures, the facility is projected to have a net operating income of $207,924 in 2015. For 2016, the projected utilization rate is 288 procedures, which will result in gross operating revenue in the amount of approximately $1,834,076 and net operating revenue in the amount of approximately $821,666. After deductions for operating expenses and capital expenditures, the facility is projected to have a net operating income of $410,717 in 2016.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

Response: Financial viability will be ensured within two years as indicated in the Projected Data Chart.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

The applicant intends to serve Medicare, TennCare and medically indigent patients. Dr. Schooley is contracted with all of the TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved to contract with all TennCare MCOs.

The applicant expects the payor mix for the first year of operation to be as follows:

TennCare – $577,733
Commerical Insurance – $319,129
Self-pay – $407,165
Charity/Bad Debt – $71,490

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response: The applicant has just been created and has no financial history. Dr. Schooley is the sole owner of Turner Surgery Center, LLC and his financial statement, as of March 9, 2015, is at Attachment C, Economic Feasibility-2.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

    a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

    Response: The applicant believes there is no alternative that would be less costly or more efficient than making use of an existing resource, which in this case is the ASTC formerly operated by MUA of Middle Tennessee.

    b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

    Response: Not applicable (NA).

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Dr. Schooley, who will be the only physician performing services for the applicant is part of Neurosurgical Associates, a six-physician group. Additionally, Dr. Schooley is contracted with all TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved, to contract with all TennCare MCOs.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

The proposed project will have a positive effect on the health care system in that patients in need of the implantation of neurostimulators for pain management will be able to more readily obtain this procedure. This proposal will have minimal, if any, effect on other facilities based on the small number of patients who will be served at the facility.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Response: The proposed facility will use the following clinical staff two days per month, 10 hours per day with projected compensation as follows:

RN - $35/hr

Surgical Tech -$35/hr

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Substance Abuse Services, and/or the Department of Intellectual and Developmental Disabilities licensing requirements.

Response: In light of the minimal staffing required for the facility, the applicant is confident in its ability to identify and employ the clinical staff needed.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review *policies and programs, record keeping, and staff education.*

Response: The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g.,* internships, residencies, etc.).

Response: The applicant will offer training on occasion to other physicians on the use of the medical devices used by Dr. Schooley in the procedures.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Substance Abuse Services, the Department of Intellectual and Developmental Disabilities, and/or any applicable Medicare requirements.

Response: The applicant has reviewed and understands all licensing requirements of the Department of Health and applicable Medicare requirements.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Tennessee Department of Health

Accreditation: *Accreditation Association of Ambulatory Healthcare*

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response: The applicant is a new facility.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction. Please also discuss what measures the applicant has or will put in place to avoid being cited for similar deficiencies in the future.

Response: Not applicable (NA).

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response: None.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

Response: None. Not applicable (NA).

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response: The applicant will provide the Agency and the Department of Health with requested information regarding number of patients, number and types of procedures and other data required.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

NOTIFICATION REQUIREMENTS

(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)

Please note that Tennessee Code Annotated 68-11-1607(c)(3) states that "...Within ten (10) days of filing an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the member of the House of Representatives and the Senator of the General Assembly representing the district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Please provide this documentation.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

Public Notices

Public Notices

Nolensville/College Grove Utility District

PUBLIC NOTICE
There will be a Beer Board Meeting in the County Commission Chambers on March 16, 2015 at 6pm, Dickson County Courthouse, #4 Court Square Courthouse Annex, Charlotte, TN 37036. This meeting is to review violations of beer permit holders. Dickson County Clerk, Luanne

0000341370

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that: Turner Surgery Center, a proposed specialty ambulatory surgical treatment center owned by: Turner Surgery Center, LLC, with an ownership type of limited liability company intends to file an application for a Certificate of Need to establish a specialty ambulatory surgical treatment center in approximately 1,980 sq. ft. of leased space in Suite 210, 28 White Bridge Road, Nashville, TN 37205. The location was previously occupied and operated as a specialty ambulatory surgical treatment center by MUA of Middle Tennessee. Turner Surgery Center, LLC, is solely-owned by William Schooley, M.D., and the proposed surgery center will be limited to implantation of spinal neurostimulator devices and other pain management procedures. The cost of the project is approximately $533,000.00. The project does not involve any licensed beds or the initiation of any service for which a certificate of need is required.

The anticipated date of filing the application is: March 15, 20 15

The contact person for this project is Dan Elrod Attorney who may be reached at: Butler Snow LLP, 150 3rd Avenue South, Suite 1600, Nashville, TN 37201 615/651-6702

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building, 9th floor
502 Deaderick Street
Nashville, Tennessee 37243

(A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

2. If the response to the preceding question ***indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph,*** please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004
Revised 08/01/2012
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c): June 24, 2015

Assuming the CON approval becomes the final agency action on that date; indicate the number of days **from the above agency decision date** to each phase of the completion forecast.

Phase		DAYS REQUIRED	Anticipated Date (MONTH/YEAR)
1.	Architectural and engineering contract signed		
2.	Construction documents approved by the Tennessee Department of Health		
3.	Construction contract signed		
4.	Building permit secured		
5.	Site preparation completed		
6.	Building construction commenced		
7.	Construction 40% complete		
8.	Construction 80% complete		
9.	Construction 100% complete (approved for occupancy)		
10.	*Issuance of license	30 days	August 1. 2015
11.	*Initiation of service	30 days	August 1, 2015
12.	Final Architectural Certification of Payment		
13.	Final Project Report Form (HF0055)		September 1, 2015

*** For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Davidson

Dan H Eich, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

SIGNATURE/TITLE

Sworn to and subscribed before me this 13th day of March (Month), 2015 (Year) a Notary Public in and for the County/State of Davidson County, Tennessee.

Sharron C. Couch
NOTARY PUBLIC

SHARRON C. COUCH
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAR. 8, 2016

My commission expires March 8 (Month/Day), 2016 (Year).

Attachment A, Item 3

Organizational Documents

Davidson County CHARTER
Recvd: 12/08/14 14:18 5 pgs
Fees:7.00 Taxes:0.00
20141208-0112326

STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Turner Spine Institute, PLLC
STE 110
7516 HIGHWAY 70 S
NASHVILLE, TN 37221-1850

December 8, 2014

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

SOS Control # :	**780461**	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	12/08/2014
Filing Date:	12/08/2014 11:54 AM	Fiscal Year Close:	12
Status:	Active	Annual Report Due:	04/01/2016
Duration Term:	Perpetual	Image # :	B0025-3603
Business Type:	Professional Limited Liability Company		
Managed By:	Member Managed		
Business County:	DAVIDSON COUNTY		

Document Receipt

Receipt # : 1726677	Filing Fee:	$300.00
Payment-Check/MO - LEGALZOOM.COM,INC., GLENDALE, CA		$300.00

Registered Agent Address:
UNITED STATES CORPORATION AGENTS, INC.
STE 200
3903 VOLUNTEER DR
CHATTANOOGA, TN 37416-3860

Principal Address:
STE 110
7516 HIGHWAY 70 S
NASHVILLE, TN 37221-1850

Congratulations on the successful filing of your **Articles of Organization** for **Turner Spine Institute, PLLC** in the State of Tennessee which is effective on the date shown above. You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee. Please visit the Tennessee Department of Revenue website (apps.tn.gov/bizreg) to determine your online tax registration requirements. If you need to obtain a Certificate of Existence for this entity, you can request, pay for, and recieve it from our website.

You must file an Annual Report with this office on or before the Annual Report Due Date noted above and maintain a Registered Office and Registered Agent. Failure to do so will subject the business to Administrative Dissolution/Revocation.

Tre Hargett
Secretary of State

Processed By: Tammy Morris

4

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

(as 4270)

Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl.
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $50.00 per member
(minimum fee = $300, maximum fee = $3,000)

For Office Use Only

FILED

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: Turner Spine Institute, PLLC

(NOTE: Pursuant to the provisions of T.C.A. §48-249-106, each Limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. Name Consent: (Written Consent for Use of Indistinguishable Name)
☐ This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of: PLLC

4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:
Name: United States Corporation Agents, Inc.
Address: 3903 Volunteer Drive, Suite 200
City: Chattanooga State: Tennessee Zip Code: 37416 County: Hamilton County

5. Fiscal Year Close Month: December 31

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is: (Not to exceed 90 days)
Effective Date: ____/____/____ (Month/Day/Year) Time: _____

7. The Limited Liability Company will be: ☒ Member Managed ☐ Manager Managed ☐ Director Managed

8. Number of Members at the date of filing: 1

9. Period of Duration: ☒ Perpetual ☐ Other ____/____/____ (Month/Day/Year)

10. The complete address of the Limited Liability Company's principal executive office is:
Address: 7516 Highway 70 South, Suite 110
City: Nashville State: Tennessee Zip Code: 37221 County: Davidson

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY (SS-4270)

For Office Use Only

Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl.
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: $50.00 per member
(minimum fee = $300, maximum fee = $3,000)

The name of the Limited Liability Company is: Turner Spine Institute, PLLC

11. The complete mailing address of the entity (If different from the principal office) is:

Address: _____

City: _____ State: _____ Zip Code: _____

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)

☐ I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)

☒ I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.

Licensed Profession: Medicine

14. Series LLC (required only if the Additional Designation of "Series LLC" is entered in section 3.)

☐ I certify that this entity meets the requirements of T.C.A. §48-249-309(a) & (b)

15. Obligated Member Entity (list of obligated members and signatures must be attached)

☐ This entity will be registered as an Obligated Member Entity (OME) Effective Date: ____/____/____ (Month / Day / Year)

☐ I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT AN ATTORNEY.

16. This entity is prohibited from doing business in Tennessee:

☐ This entity, while being formed under Tennessee law, is prohibited from engaging in business in Tennessee.

17. Other Provisions: _____

12/04/2014
Signature Date

Signature

Organizer, Assistant Secretary, LegalZoom.com, Inc.
Signer's Capacity (if other than individual capacity)

Cheyenne Moseley
Name (printed or typed)

Attachment to Articles of Organization
Turner Spine Institute, PLLC

This entity is a Professional Limited Liability Company. The purpose of the PLLC is to render the professional service of Medicine. The PLLC has one or more qualified persons as members, and no disqualified persons as members or holders.

State of Tennessee

Department of State
Corporate Filings
312 Rosa L. Parks Ave.
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

CERTIFICATE OF CONVERSION
(Another Business Entity into LLC)

For Office Use Only

MAR 13 '15 PM 1:15

Pursuant to the provisions of §48-249-703 of the Tennessee Revised Limited Liability Company Act, the undersigned Limited Liability Company hereby submits this certificate of conversion:

1. **The name of the domestic limited liability company as set forth in its articles of organization is:**

   TURNER SURGERY CENTER, LLC

2. **The name of the converting other business entity immediately prior to the filing of the certificate of conversion is:**

   TURNER SPINE INSTITUTE, PLLC

3. **The jurisdiction in which the converting other business entity was formed is** DOMESTIC **, its date of formation is** 12/08/2014 **(month/day/year), and its business type is a**

   PROFESSIONAL LIMITED LIABILITY COMPANY

4. **All required approvals of the conversion have been obtained by the other business entity.**

5. **If the conversion is not to be effective upon the filing of the certificate of conversion and articles of organization, then the future effective date or time of the conversion to a domestic LLC is:**

   Date: _____ , _____ **Time** _____

03/09/2015
Signature date

Bill Schooley MD
Signature

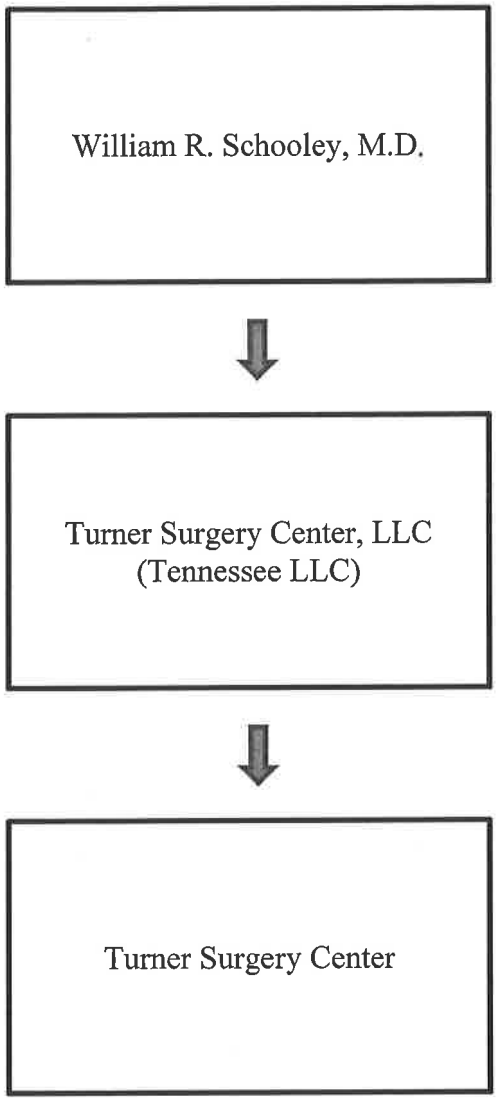
OWNER
Signer's capacity

WILLIAM ROY SCHOOLEY, MD
Name (typed or printed)

SS-4268 (Rev. 06/07) Filing Fee $20 RDA 2458

Attachment A, Item 4

Organizational Chart


William R. Schooley, M.D.
Turner Surgery Center, LLC
(Tennessee LLC)
Turner Surgery Center

Attachment A, Item 6

Lease LOI

LETTER OF INTENT
February 9, 2015

Via Facsimile (615) 383-0853

Turner Surgery Center, LLC
Attn: William Schooley, M.D.

Re: Lease of 28 White Bridge Road, Suite 210, Nashville, TN 37205

Dr. Schooley:

The purpose of this Letter of Intent ("LOI") is to outline the terms on which NOL, LLC ("Landlord") is prepared to enter into a lease with Turner Surgery Center, LLC ("Tenant") for approximately 1,980 square feet of space designated as Suite 210 of the Anderson Building located at 28 White Bridge Road, Nashville, TN 37205 (the "Premises"). Landlord is the owner of the Anderson Building, including the Premises, and is authorized to enter into a lease with you on the terms outlined herein.

We understand that Tenant is in the process of pursuing a certificate of need for operation of a Tennessee licensed ambulatory surgery center that will permit Dr. Schooley to perform certain surgical procedures consistent with his training and expertise. Should Tenant be successful in obtaining the certificate of need and the required licensure to operate an ambulatory surgery center, Landlord and Tenant agree that they will enter into a written lease for the Premises on the terms set forth herein.

1. **Term.** The lease for the Premises will commence on the date on which Tenant obtains the licensure for operation of an ambulatory surgery center. Rent will commence on the first day of the first month during which Dr. Schooley uses the Premises for medical procedures. The initial term for the lease will be for five years.

2. **Rent.** The rent for the Premises will be $5,500 per month during the initial term. This rate represents the fair market value for the space as determined by Landlord given the intended use of the space and the current build-out of the space.

3. **Renewal Options.** Upon the expiration of the initial lease term, Tenant shall have the option to renew the lease for the Premises at Tenant's option for three (3) five year renewals. The rental rate at such time shall be increased to reflect changes to the consumer price index.

4. **Improvements.** Tenant may make necessary improvements to the space as necessary to cause the space to be operational as an ASC. All requested improvements will be presented to Landlord for approval, which shall not be unreasonably withheld. The addition of a C-Arm to the operating room is approved. All such improvements will be Tenant's expense.

5. **Utilities, Insurance and Property Taxes.** Landlord will cover the property taxes, utilities, janitorial services, and general liability insurance for the common areas near the space such as the hallways and elevators. Tenant shall be responsible for insuring the Premises and for providing maintenance relating to the interior of the Premises. Landlord will be responsible for the maintenance of building systems that are outside of the Premises. The lease will contain the concept of a 2014 base year to cover Landlord's expenses relating to the Premises. Should Landlord's expenses for the building

increase, the rental rate will increase to cover Tenant's pro-rata share of the increase. Tenant will cause

6. Other Terms. The lease will contain other reasonable and customary terms that are consistent with the leases with other tenant's in the building, which are normal and customary terms in a commercial lease.

7. Counterparts. This LOI may be executed in one or more counterparts, each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same agreement.

8. Termination. This LOI will terminate upon the earlier of: (1) the execution of a lease agreement, (2) August 15, 2015, or (3) the written consent of the Parties.

9. Governing Law. This LOI shall be governed by and construed in accordance with the laws of Tennessee without reference to conflict of laws principles. Any disputes under this LOI shall be brought in the state courts and the Federal courts located in Nashville, Tennessee, and the Parties hereby consent to the personal jurisdiction and venue of these courts.

10. Entire Agreement; Amendments. This LOI constitutes the entire agreement of the parties hereto relating to the subject matter hereof. This LOI may not be amended except by a writing signed by all Parties hereto. No waiver of any provision of this LOI shall be effective unless the waiver is in writing and duly executed by the party granting the waiver.

11. Assignment. No Party may assign or transfer any rights or obligations under this LOI without the prior written consent of the other Parties.

Each of the parties has executed this LOI as of the date first written above.

NOL, LLC

By: _____
Name: Chad L. Calendine, MD
Title: CEO

Turner Surgery Center, LLC

By: _____
Name: William Schooley, MD
Title: LLC Owner - Neurosurgeon

Attachment B, I

CV of William Schooley, M.D.

CURRICULUM VITAE
William R. Schooley, M.D.
April 2006

NAME:	**William R. Schooley, M.D.**
HOME ADDRESS:	**4418 Harding Place** **Nashville, Tennessee 37205**
OFFICE ADDRESS:	**Neurosurgical Associates** **345 23rd Avenue North** **Nashville, Tennessee 37203** **(615)-986-1256**
LICENSURE:	**Tennessee Medical License, 1994** **Louisiana Medical License, 1986**
ORGANIZATIONS:	**Nashville Academy of Medicine** **American Board of Neurological Surgery Certified**

EDUCATION:

1981 - 1986	**Doctor of Medicine,** **University of Alabama School of Medicine** **Birmingham, Alabama**
1973 - 1978	**Bachelor of Science** **Washington and Lee University** **Lexington, VA.**

PROFESSIONAL:

1994 - Present	**Active Staff**	**St. Thomas Hospital** **Southern Hills Hospital** **Nashville, Tennessee**
	Active Staff	**Centennial Medical Center** **Williamson County Medical Center** **Nashville, Tennessee**
1993 - 1994	**Chief Resident in Neurological Surgery** **Tulane University Affiliated Program** **New Orleans, LA.**	

1989 - 1993	Resident in Neurological Surgery Tulane University Affiliated Program New Orleans, LA.
1988 - 1989	Staff Emergency Room Physicians River Parishes Hospital LaPlace, LA.
1987 - 1988	General Surgery Residency Tulane University Affiliated Program New Orleans, LA.
1986 - 1987	Internship (General Surgery) Tulane University School of Medicine New Orleans, LA.

Attachment B, III.(A)

Plot Plan

28 White Bridge Pike, Nashville, TN 37205

Plot Plan

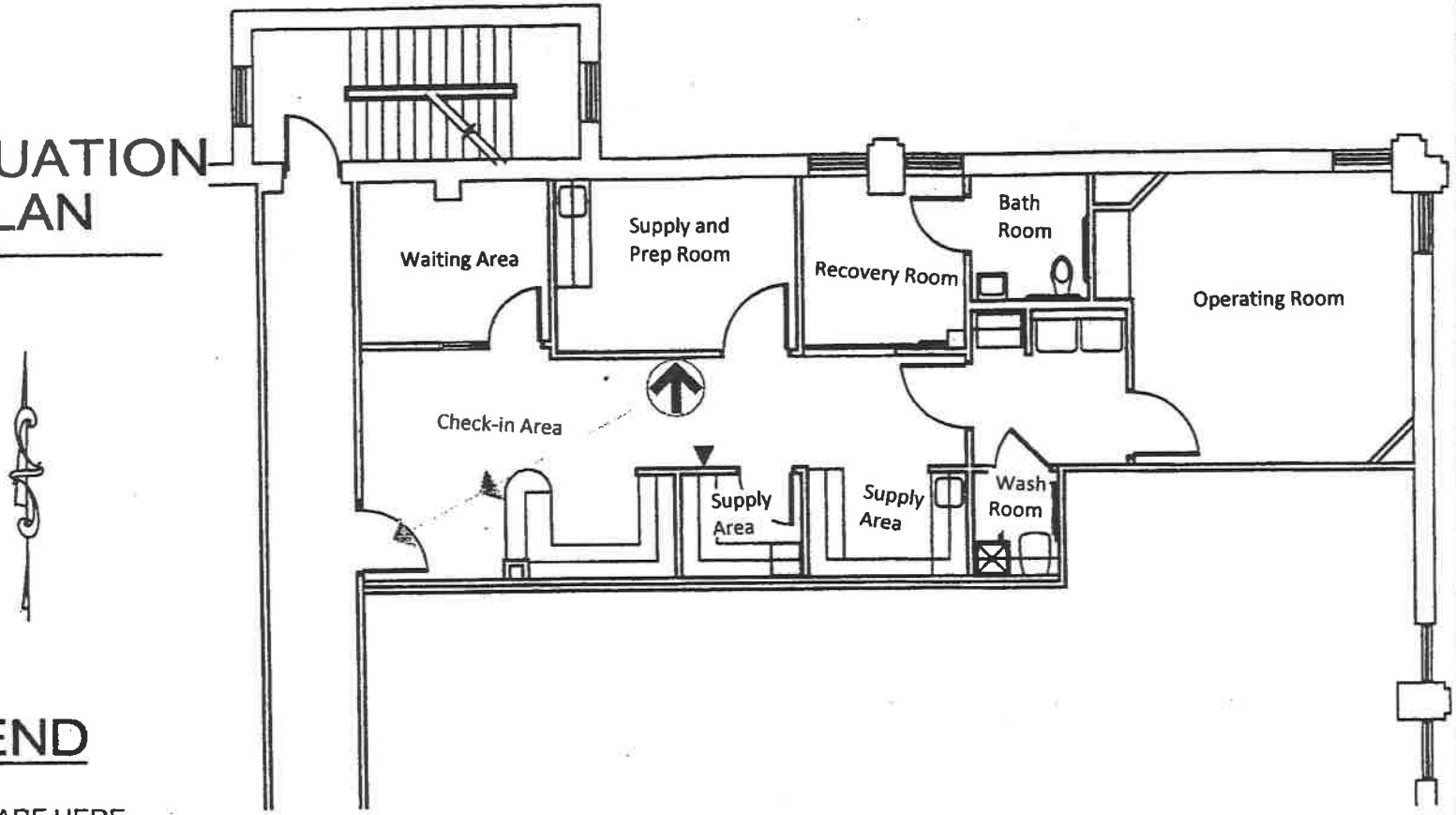
Parcel ID	10314011600
Owner	NOL, LLC
Acquired Date	12/18/2008
Sale Price	$11,075,000
Owner Document	DB-20081219 0121587
Mailing Address	28 WHITE BRIDGE RD STE 111
Mailing City	NASHVILLE
Mailing State	TN
Mailing Zipcode	37205
Description	LOT 1 LIONS HEAD VILLAGE WEST SEC 3
Acreage	2.31
Frontage	263
Side	422
Property Document	PL-00005210 0000369

Attachment B, IV

Floor Plan

EVACUATION PLAN

NORTH



LEGEND

- YOU ARE HERE
- EVACUATION ROUTE
- FIRE EXTINGUISHER

Attachment C, Need – 1.b.(8)

Origin of Potential Patients

William Schooley, MD - July 1, 2014 -- December 31, 2014

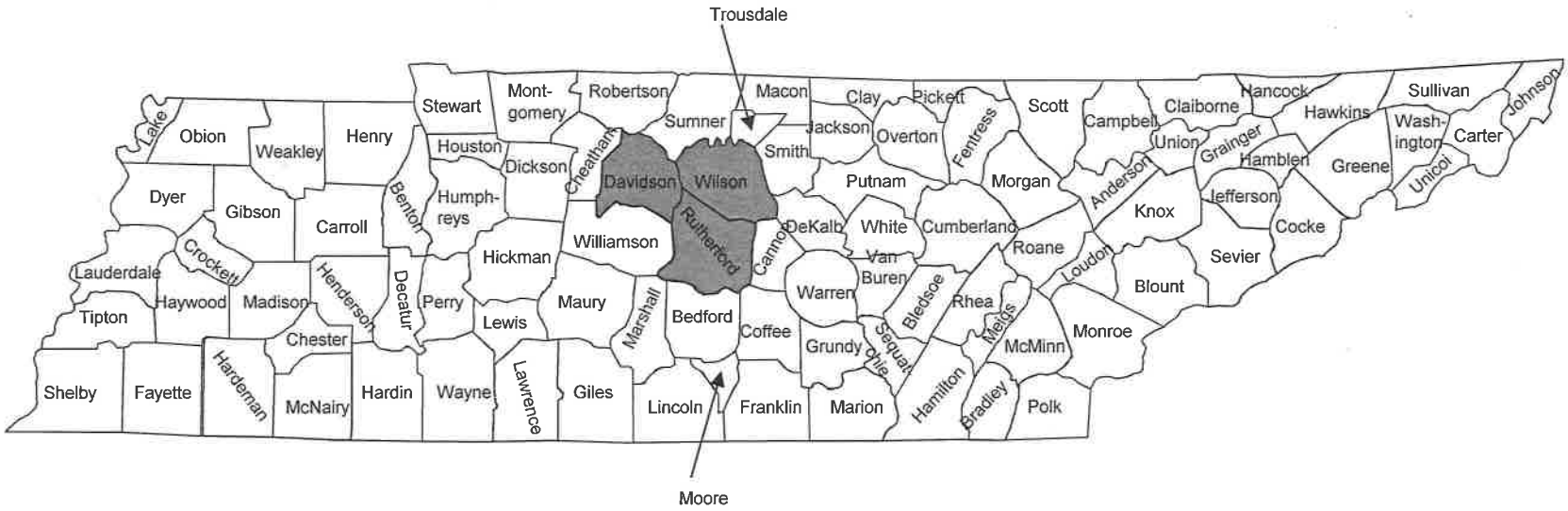
Unique Patients Seen 731

County	Number of Patients	% of Overall Business
Allen (KY)	3	0%
Bedford	26	4%
Benton	2	0%
Calloway (KY)	1	0%
Cannon	5	1%
Cheatham	7	1%
Christian (KY)	2	0%
Clay	3	0%
Coffee	20	3%
Cumberland	15	2%
Davidson	139	19%
Decatur	2	0%
Dekalb	13	2%
Dickson	16	2%
Fentress	8	1%
Franklin	3	0%
Gibson	1	0%
Giles	13	2%
Graves (KY)	2	0%
Grundy	1	0%
Henry	1	0%
Hickman	9	1%
Hopkins (KY)	1	0%
Houston	1	0%
Humphreys	3	0%
Jackson	3	0%
Lawrence	9	1%
Lewis	3	0%
Lincoln	5	1%
Logan (KY)	1	0%
Macon	7	1%
Madison (AL)	1	0%
Marshall	5	1%
Massac (IL)	1	0%
Maury	2	0%
Metcalfe (KY)	1	0%
Montgomery	14	2%
Moore	1	0%
Morgan	2	0%
Obion	1	0%

County	Number of Patients	% of Overall
Overton	6	1%
Panola (MS)	1	0%
Perry	3	0%
Pickett	1	0%
Putman	30	4%
Rhea	1	0%
Robertson	14	2%
Rutherford	178	24%
Sequatchie	1	0%
Shelby	1	0%
Simpson (KY)	1	0%
Smith	13	2%
Stewart	1	0%
Sumner	22	3%
Trigg (KY)	2	0%
Trousdale	4	1%
Warren (KY)	1	0%
Warren	16	2%
Wayne	1	0%
Weakley	1	0%
White	10	1%
Williamson	19	3%
Wilson	51	7%

Attachment C, Need – 3

Service Area Map


Trousdale
Lake
Obion
Weakley
Henry
Stewart
Mont-
gomery
Robertson
Sumner
Macon
Clay
Pickett
Scott
Campbell
Claiborne
Hancock
Hawkins
Sullivan
Johnson
Wash-
ington
Carter
Unicoi
Greene
Hamblen
Grainger
Union
Anderson
Knox
Jefferson
Cocke
Sevier
Blount
Loudon
Roane
Morgan
Fentress
Overton
Jackson
Smith
Putnam
Houston
Dickson
Cheatham
Davidson
Wilson
Rutherford
Cannon
DeKalb
White
Cumberland
Van
Buren
Warren
Bledsoe
Rhea
Meigs
McMinn
Monroe
Polk
Bradley
Hamilton
Marion
Franklin
Lincoln
Giles
Lawrence
Wayne
Hardin
McNairy
Hardeman
Fayette
Shelby
Dyer
Gibson
Carroll
Benton
Humph-
reys
Williamson
Hickman
Lauderdale
Crockett
Tipton
Haywood
Madison
Henderson
Chester
Decatur
Perry
Lewis
Maury
Marshall
Bedford
Coffee
Grundy
Sequatchie
Moore

Attachment C, Need – 4.A.(1)

Demographic Information

Davidson County, Tennessee

People QuickFacts	Davidson County	Tennessee
Population, 2014 estimate	NA	6,549,352
Population, 2013 estimate	658,602	6,497,269
Population, 2010 (April 1) estimates base	626,684	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	NA	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	5.1%	2.4%
Population, 2010	626,681	6,346,105
Persons under 5 years, percent, 2013	7.0%	6.2%
Persons under 18 years, percent, 2013	21.6%	23.0%
Persons 65 years and over, percent, 2013	10.9%	14.7%
Female persons, percent, 2013	51.7%	51.2%
White alone, percent, 2013 (a)	65.8%	79.1%
Black or African American alone, percent, 2013 (a)	28.1%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.5%	0.4%
Asian alone, percent, 2013 (a)	3.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	2.3%	1.7%
Hispanic or Latino, percent, 2013 (b)	9.9%	4.9%
White alone, not Hispanic or Latino, percent, 2013	57.1%	74.9%
Living in same house 1 year & over, percent, 2009-2013	79.2%	84.6%
Foreign born persons, percent, 2009-2013	11.7%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	15.5%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	86.4%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	35.9%	23.8%
Veterans, 2009-2013	38,947	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	23.3	24.3
Housing units, 2013	288,863	2,840,914
Homeownership rate, 2009-2013	54.7%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	37.2%	18.3%
Median value of owner-occupied housing units, 2009-2013	$167,500	$139,200
Households, 2009-2013	256,745	2,475,195
Persons per household, 2009-2013	2.39	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	$28,467	$24,409
Median household income, 2009-2013	$47,335	$44,298
Persons below poverty level, percent, 2009-2013	18.5%	17.6%

Business QuickFacts	Davidson County	Tennessee
Private nonfarm establishments, 2012	18,062	130,592[1]
Private nonfarm employment, 2012	383,086	2,344,047[1]
Private nonfarm employment, percent change, 2011-2012	1.5%	1.9%[1]
Nonemployer establishments, 2012	58,529	471,026
Total number of firms, 2007	64,653	545,348
Black-owned firms, percent, 2007	11.1%	8.4%

American Indian- and Alaska Native-owned firms, percent, 2007	0.6%	0.5%
Asian-owned firms, percent, 2007	3.4%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.1%	0.1%
Hispanic-owned firms, percent, 2007	2.9%	1.6%
Women-owned firms, percent, 2007	26.8%	25.9%
Manufacturers shipments, 2007 ($1000)	7,347,204	140,447,760
Merchant wholesaler sales, 2007 ($1000)	11,942,568	80,116,528
Retail sales, 2007 ($1000)	10,581,843	77,547,291
Retail sales per capita, 2007	$17,029	$12,563
Accommodation and food services sales, 2007 ($1000)	2,202,982	10,626,759
Building permits, 2013	4,038	23,816

Geography QuickFacts	**Davidson County**	**Tennessee**
Land area in square miles, 2010	504.03	41,234.90
Persons per square mile, 2010	1,243.3	153.9
FIPS Code	037	47
Metropolitan or Micropolitan Statistical Area	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
NA: Not available
S: Suppressed; does not meet publication standards
X: Not applicable
Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits
Last Revised: Thursday, 05-Feb-2015 13:16:54 EST

Try the today and tell us what you think!

Rutherford County, Tennessee

People QuickFacts	Rutherford County	Tennessee
Population, 2014 estimate	NA	6,549,352
Population, 2013 estimate	281,029	6,497,269
Population, 2010 (April 1) estimates base	262,604	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	NA	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	7.0%	2.4%
Population, 2010	262,604	6,346,105
Persons under 5 years, percent, 2013	6.7%	6.2%
Persons under 18 years, percent, 2013	25.3%	23.0%
Persons 65 years and over, percent, 2013	9.3%	14.7%
Female persons, percent, 2013	50.7%	51.2%
White alone, percent, 2013 (a)	80.4%	79.1%
Black or African American alone, percent, 2013 (a)	13.5%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.5%	0.4%
Asian alone, percent, 2013 (a)	3.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	2.3%	1.7%
Hispanic or Latino, percent, 2013 (b)	7.0%	4.9%
White alone, not Hispanic or Latino, percent, 2013	74.3%	74.9%
Living in same house 1 year & over, percent, 2009-2013	81.2%	84.6%
Foreign born persons, percent, 2009-2013	7.0%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	9.9%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	89.7%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	28.3%	23.8%
Veterans, 2009-2013	19,043	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	26.9	24.3
Housing units, 2013	106,433	2,840,914
Homeownership rate, 2009-2013	67.6%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	20.6%	18.3%
Median value of owner-occupied housing units, 2009-2013	$159,100	$139,200
Households, 2009-2013	96,731	2,475,195
Persons per household, 2009-2013	2.73	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	$25,077	$24,409
Median household income, 2009-2013	$55,401	$44,298
Persons below poverty level, percent, 2009-2013	13.0%	17.6%

Business QuickFacts	Rutherford County	Tennessee
Private nonfarm establishments, 2012	4,602	130,592[1]
Private nonfarm employment, 2012	86,256	2,344,047[1]
Private nonfarm employment, percent change, 2011-2012	4.4%	1.9%[1]
Nonemployer establishments, 2012	17,993	471,026
Total number of firms, 2007	20,939	545,348

Black-owned firms, percent, 2007	6.1%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.5%
Asian-owned firms, percent, 2007	2.6%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	2.7%	1.6%
Women-owned firms, percent, 2007	25.3%	25.9%
Manufacturers shipments, 2007 ($1000)	11,304,846	140,447,760
Merchant wholesaler sales, 2007 ($1000)	6,226,284	80,116,528
Retail sales, 2007 ($1000)	2,804,294	77,547,291
Retail sales per capita, 2007	$11,588	$12,563
Accommodation and food services sales, 2007 ($1000)	386,963	10,626,759
Building permits, 2013	3,057	23,816

Geography QuickFacts	**Rutherford County**	**Tennessee**
Land area in square miles, 2010	619.36	41,234.90
Persons per square mile, 2010	424.0	153.9
FIPS Code	149	47
Metropolitan or Micropolitan Statistical Area	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 25 firms
FN: Footnote on this item for this area in place of data
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Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits
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Wilson County, Tennessee

People QuickFacts	Wilson County	Tennessee
Population, 2014 estimate	NA	6,549,352
Population, 2013 estimate	121,945	6,497,269
Population, 2010 (April 1) estimates base	113,990	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	NA	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	7.0%	2.4%
Population, 2010	113,993	6,346,105
Persons under 5 years, percent, 2013	5.9%	6.2%
Persons under 18 years, percent, 2013	24.4%	23.0%
Persons 65 years and over, percent, 2013	14.1%	14.7%
Female persons, percent, 2013	51.0%	51.2%
White alone, percent, 2013 (a)	89.8%	79.1%
Black or African American alone, percent, 2013 (a)	6.7%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.4%	0.4%
Asian alone, percent, 2013 (a)	1.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	1.6%	1.7%
Hispanic or Latino, percent, 2013 (b)	3.6%	4.9%
White alone, not Hispanic or Latino, percent, 2013	86.7%	74.9%
Living in same house 1 year & over, percent, 2009-2013	86.0%	84.6%
Foreign born persons, percent, 2009-2013	4.1%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	4.4%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	88.7%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	26.0%	23.8%
Veterans, 2009-2013	9,480	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	28.4	24.3
Housing units, 2013	47,627	2,840,914
Homeownership rate, 2009-2013	79.2%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	10.5%	18.3%
Median value of owner-occupied housing units, 2009-2013	$190,100	$139,200
Households, 2009-2013	42,800	2,475,195
Persons per household, 2009-2013	2.70	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	$27,864	$24,409
Median household income, 2009-2013	$60,390	$44,298
Persons below poverty level, percent, 2009-2013	10.2%	17.6%

Business QuickFacts	Wilson County	Tennessee
Private nonfarm establishments, 2012	2,400	130,592[1]
Private nonfarm employment, 2012	32,564	2,344,047[1]
Private nonfarm employment, percent change, 2011-2012	9.9%	1.9%[1]
Nonemployer establishments, 2012	9,653	471,026
Total number of firms, 2007	12,204	545,348
Black-owned firms, percent, 2007	3.7%	8.4%

American Indian- and Alaska Native-owned firms, percent, 2007	0.5%	0.5%
Asian-owned firms, percent, 2007	S	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	1.1%	1.6%
Women-owned firms, percent, 2007	21.0%	25.9%
Manufacturers shipments, 2007 ($1000)	D	140,447,760
Merchant wholesaler sales, 2007 ($1000)	967,872	80,116,528
Retail sales, 2007 ($1000)	1,164,992	77,547,291
Retail sales per capita, 2007	$10,935	$12,563
Accommodation and food services sales, 2007 ($1000)	147,321	10,626,759
Building permits, 2013	1,086	23,816

Geography QuickFacts	**Wilson County**	**Tennessee**
Land area in square miles, 2010	570.83	41,234.90
Persons per square mile, 2010	199.7	153.9
FIPS Code	189	47
Metropolitan or Micropolitan Statistical Area	Nashville-Davidson--Murfreesboro--Franklin, TN Metro Area	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 25 firms
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Attachment C, Need – 5

ASCTs in Service Area

Table 1 – Turner Surgery Center Utilization of Surgery Centers in the Primary Services Area of This Project						
	2013 Joint Annual Report of ASTC's					
County	**Facility Name**	**O.R.'s**	**Procedure Rooms**	**Total Surgical Rooms**	**Total Cases**	**Cases Per Surgical Room**
Davidson	American Endoscopy Center	1	1	2	690	345
	Associated Endoscopy	0	3	3	4438	1479
	Baptist Ambulatory Surg Center	6	1	7	7137	1020
	Baptist Plaza Surgicare	9	1	10	8094	809
	Centennial Surgery Center	6	2	8	7214	902
	Delozier Surgery Center	1	0	1	488	488
	Digestive Disease Endos Center	0	4	4	6049	1512
	Eye Surg Cntr of Middle TN	2	0	2	1198	599
	Eye Surg Center of Nashville	1	1	2	4300	2150
	Gurley Surgery Center	0	3	3	284	95
	LVC Outpatient Surg Center	2	1	3	2025	675
	Mid-State Endoscopy Center	0	3	3	2429	810
	MUA of Middle Tennessee	0	1	1	601	601
	Nashville Endo Surg Center	0	3	3	2754	918
	Nashville GI Endoscopy Cntr	0	3	3	2384	795
	Nashville Surgery Center	5	1	6	4292	715
	Nashville Vision Correction	1	0	1	148	148
	NFC Surgery Ctr.	1	0	1	702	702
	Northridge Surgery Center	5	2	7	2954	422
	Oral Facial Surgery Ctr.	3	0	3	1894	631.33
	Planned Parenthood of Middle & East Tennessee	NR	NR	NR	NR	NR
	Premier Orthopaedic Surg Center	2	0	2	2485	1243
	Premier Radiology Pain Management	2	0	2	2634	1317
	Saint Thomas Campus Surgicare	6	1	7	7137	1020
	Saint Thomas OP Neurosurgical Cntr.	2	1	3	1779	593
	Southern Endoscopy Center	0	3	3	2695	898
	Southern Hills Surgery Center	NR	NR	NR	NR	NR
	Saint Thomas Med Group Endos Cntr.	0	2	2	3424	1712
	Summit Surgery Center	5	1	6	5474	912
	Tennessee Pain Surgery Center	1	3	4	9985	2496.25
	The Center for Assisted Reproductive Technologies	0	2	2	404	202
	Urology Surgery Center	3	3	6	5445	908
	Wesley Opthalmic Plastic Surg Cntr	2	0	2	905	453
Wilson	Lebanon Endoscopy Center	2	2	4	2140	535
	Lebanon Surgical Center	1	1	2	77	39
	Providence Surgery Center	2	1	3	771	257
	Wilson County Eye Surgery	1	1	2	1145	573
Rutherford	Mid-State Endoscopy Center	0	2	2	1632	816
	Middle Tennessee Ambulatory Surgery Center	6	1	7	6552	936
	Physicians Pavilion Surgery Center	4	1	5	3032	607
	Surgicenter of Murfreesboro Medical Center	3	3	6	8521	1421
	Williams Surgery Center, Inc.	1	0	1	56	56

Table 2: Turner Surgery Center Utilization of Surgery Centers in the Primary Services Area of This Project						
	2012 Joint Annual Report of ASTC's					
County	**Facility Name**	**O.R.'s**	**Procedure Rooms**	**Total Surgical Rooms**	**Total Cases**	**Cases Per Surgical Room**
Davidson	American Endoscopy Center	1	1	2	809	405
	Associated Endoscopy	0	3	3	4477	1492
	Baptist Ambulatory Surg Center	6	1	7	7443	1063
	Baptist Plaza Surgicare	9	1	10	8215	822
	Centennial Surgery Center	6	2	8	7491	936
	Delozier Surgery Center	1	0	1	452	452
	Digestive Disease Endos Center	0	4	4	5863	1466
	Eye Surg Cntr of Middle TN	2	0	2	432	216
	Eye Surg Center of Nashville	1	1	2	2631	1316
	Gurley Surgery Center	0	3	3	302	101
	LVC Outpatient Surg Center	2	1	3	2077	692
	Mid-State Endoscopy Center	0	3	3	2631	877
	MUA of Middle Tennessee	0	1	1	11	11
	Nashville Endo Surg Center	0	3	3	2655	885
	Nashville GI Endoscopy Cntr	0	2	2	2640	1320
	Nashville Surgery Center	5	1	6	4126	688
	Nashville Vision Correction	1	0	1	166	166
	NFC Surgery Ctr.	1	0	1	413	207
	Northridge Surgery Center	5	2	7	2863	409
	Oral Facial Surgery Ctr.	3	4	7	2989	427
	Planned Parenthood of Middle & East Tennessee	NR	NR	NR	NR	NR
	Premier Orthopaedic Surg Center	2	0	2	2277	1139
	Premier Radiology Pain Management	0	2	2	1957	979
	Saint Thomas Campus Surgicare	6	1	7	7446	1064
	Saint Thomas OP Neurosurgical Cntr.	2	1	3	2530	843
	Southern Endoscopy Center	0	3	3	2762	921
	Southern Hills Surgery Center	NR	NR	NR	NR	NR
	Saint Thomas Med Group Endos Cntr.	0	2	2	3608	1804
	Summit Surgery Center	5	1	6	5775	963
	Tennessee Pain Surgery Center	1	3	4	2847	712
	The Center for Assisted Reproductive Technologies	0	2	2	235	118
	Urology Surgery Center	3	3	6	6705	1118
	Wesley Opthalmic Plastic Surg Cntr	2	0	2	764	382
Wilson	Lebanon Endoscopy Center	2	2	4	2255	1128
	Lebanon Surgical Center	1	1	2	116	58
	Providence Surgery Center	2	1	3	582	194
	Wilson County Eye Surgery	1	1	2	955	478
Rutherford	Mid-State Endoscopy Center	0	2	2	1125	563
	Middle Tennessee Ambulatory Surgery Center	6	1	7	5638	806
	Physicians Pavilion Surgery Center	4	1	5	2864	573
	Surgicenter of Murfreesboro Medical Center	3	3	6	7984	1331
	Williams Surgery Center, Inc.	1	0	1	65	65

Table 3: Turner Surgery Center Utilization of Surgery Centers in the Primary Services Area of This Project						
	2011 Joint Annual Report of ASTC's					
County	**Facility Name**	**O.R.'s**	**Procedure Rooms**	**Total Surgical Rooms**	**Total Cases**	**Cases Per Surgical Room**
Davidson	American Endoscopy Center	1	1	2	602	301
	Associated Endoscopy	0	3	3	5222	1741
	Baptist Ambulatory Surg Center	6	1	7	7304	1043
	Baptist Plaza Surgicare	9	1	10	9171	917
	Centennial Surgery Center	6	2	8	7405	926
	Delozier Surgery Center	1	0	1	486	486
	Digestive Disease Endos Center	0	4	4	5845	1461
	Eye Surg Cntr of Middle TN	NR	NR	NR	NR	NR
	Eye Surg Center of Nashville	1	1	2	2524	1262
	Gurley Surgery Center	0	3	3	300	100
	LVC Outpatient Surg Center	2	1	3	1902	634
	Mid-State Endoscopy Center	0	3	3	2404	801
	MUA of Middle Tennessee	0	1	1	601	601
	Nashville Endo Surg Center	0	3	3	2594	865
	Nashville GI Endoscopy Cntr	0	2	2	2698	1349
	Nashville Surgery Center	5	1	6	4155	693
	Nashville Vision Correction	1	0	1	132	132
	NFC Surgery Ctr.	1	1	2	389	195
	Northridge Surgery Center	4	2	6	3201	534
	Oral Facial Surgery Ctr.	3	4	7	1548	222
	Planned Parenthood of Middle & East Tennessee	NR	NR	NR	NR	NR
	Premier Orthopaedic Surg Center	2	0	2	2382	1191
	Premier Radiology Pain Management	0	2	2	2000	1000
	Saint Thomas Campus Surgicare	6	1	7	7639	1091
	Saint Thomas OP Neurosurgical Cntr.	2	1	3	2469	823
	Southern Endoscopy Center	0	3	3	2591	864
	Southern Hills Surgery Center	NR	NR	NR	NR	NR
	Saint Thomas Med Group Endos Cntr.	0	2	2	3411	1706
	Summit Surgery Center	5	1	6	6505	1084
	Tennessee Pain Surgery Center	1	3	4	3316	829
	The Center for Assisted Reproductive Technologies	0	2	2	255	128
	Urology Surgery Center	3	3	6	7608	1268
	Wesley Opthalmic Plastic Surg Cntr	2	0	2	754	377
Wilson	Lebanon Endoscopy Center	0	2	2	2344	1172
	Lebanon Surgical Center	1	1	2	69	35
	Providence Surgery Center	2	1	3	555	185
	Wilson County Eye Surgery	1	1	2	1466	733
Rutherford	Mid-State Endoscopy Center	0	2	2	134	67
	Middle Tennessee Ambulatory Surgery Center	6	1	7	6264	895
	Physicians Pavilion Surgery Center	4	1	5	2976	595
	Surgicenter of Murfreesboro Medical Center	4	3	7	7655	1094
	Williams Surgery Center, Inc.	1	0	1	134	134

Attachment C, Economic Feasibility – 1 (Building FMV)

Building FMV

NOL, LLC
28 White Bridge Pike, Suite 111
Nashville, TN 37205

March 4, 2015

Dr. William Schooley
2400 Patterson Street, Suite 319
Nashville, TN 37203

Re: Proposed Lease to Turner Surgery Center, LLC, at 28 White Bridge Pike, Suite 210, Nashville, TN 37205

Dr. Schooley:

As requested, this document is intended to address the "Fair Market Value" of the referenced suite. The lease proposal represents a 5 year term at $5,500 per month. The sum of the total lease payments equals $330,000. The space is already built-out to accommodate a surgery center.

The building located at 28 White Bridge Pike in Nashville, TN, currently has a value of approximately $9 million. Total rentable square footage within this building is approximately 62,500. The estimated space in the surgery center suite is approximately 1,980 sq ft. The referenced space is approximately 3.2% (1,980/62,500) of the total rentable sq ft of the building. This would give the space a potential value of approximately $288,000.

We look forward to the opportunity to have you as a tenant in our building. If you have further questions, please do not hesitate to contact me.

Respectfully,

Mark Gaw, CFO, on behalf of NOL, LLC

Phone: 615-239-2039
Email: mark.gaw@phydata.com

Attachment C, Economic Feasibility – 2

Financial Statement

Personal Financial Statement of:
William Roy Schooley, MD
as of:
03/09/2015

Assets		Amount in Dollars
Cash - checking accounts	$	30,000
Cash - savings accounts		60,000
Certificates of deposit		-
Securities - stocks / bonds / mutual funds		38,000
Notes & contracts receivable		75,000
Life insurance (cash surrender value)		1,800,000
Personal property (autos, jewelry, etc.)		200,000
Retirement Funds (eg. IRAs, 401k)		195,000
Real estate (market value)		1,257,462
Other assets (specify)		-
Other assets (specify)		-
Total Assets	**$**	**3,655,462**

Liabilities		Amount in Dollars
Current Debt (Credit cards, Accounts)	$	10,000
Notes payable (describe below)		-
Taxes payable		400,000
Real estate mortgages (describe)		460,000
Other liabilities (specify)		-
Other liabilities (specify)		-
Total Liabilities	**$**	**870,000**
Net Worth	**$**	**2,785,462**

Signature: Bill Schooley
Date: 03/09/2015

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the *Tennessean* (Name of Newspaper) which is a newspaper of general circulation in Davidson (County), Tennessee, on or before March 10 (Month / day), 20 15 (Year), for one day.

==========

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Turner Surgery Center (Name of Applicant), a proposed specialty ambulatory surgical treatment center (Facility Type-Existing)

owned by: Turner Surgery Center, LLC with an ownership type of limited liability company

intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]: to establish a specialty ambulatory surgical treatment center in approximately 1,980 sq. ft. of leased space in Suite 210, 28 White Bridge Road, Nashville, TN 37205. The location was previously occupied and operated as a specialty ambulatory surgical treatment center by MUA of Middle Tennessee. Turner Surgery Center, LLC, is solely-owned by William Schooley, M.D., and the proposed surgery center will be limited to implantation of spinal neurostimulator devices and other pain management procedures. The cost of the project is approximately $533,000.00. The project does not involve any licensed beds or the initiation of any service for which a certificate of need is required.

The anticipated date of filing the application is: March 15, 20 15

The contact person for this project is Dan Elrod (Contact Name), Attorney (Title)

who may be reached at: Butler Snow LLP (Company Name), 150 3rd Avenue South, Suite 1600 (Address)

Nashville (City), TN (State), 37201 (Zip Code), 615 / 651-6702 (Area Code / Phone Number)

(Signature), March 10, 2015 (Date), dan.elrod@butlersnow.com (E-mail Address)

==========

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

==========

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

==========

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

April 1, 2015

Dan Elrod, Esq
Butler Snow LLP
150 3rd Avenue South Suite 1600
Nashville, TN 37201

RE: Certificate of Need Application -- Turner Surgery Center, LLC - CN1503-009
To establish a single specialty ambulatory surgical treatment center (ASTC) located at Suite 210, 28 White Bridge Road, (Davidson County), TN 37205. The ASTC will be limited to implantation of spinal neurostimulator devices and other pain management procedures. The service area is Davidson, Rutherford, and Wilson Counties. The estimated project cost is $547,150.00

Dear Mr. Elrod:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on April 1, 2015. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on June 24, 2015.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

Melanie M. Hill
Executive Director

cc: Trent Sansing, CON Director, Division of Health Statistics

State of Tennessee
Health Services and Development Agency
Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill
Executive Director

DATE: April 1, 2015

RE: Certificate of Need Application
Turner Surgery Center, LLC - CN1503-009

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on April 1, 2015 and end on May 1, 2015.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Dan Elrod, Esq

Supplemental #1
-Original-

Turner Surgery Center

CN1503-009

SUPPLEMENTAL #1
March 24, 2015
2:25 pm

BUTLER | SNOW

March 24, 2015

VIA HAND DELIVERY

Phillip Earhart
HSD Examiner
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application CN1503-009
Turner Surgery Center

Dear Mr. Earhart:

Responses to the questions in your letter dated March 19, 2015, are below. Please let us know if you need additional information.

1. Section A, Applicant Profile, Item 3

It is noted the applicant was originally organized as Turner Spine Institute, PLLC and has filed documents to change the entity to Tuner Surgery Center, Inc. Please provide a copy of documentation from the Tennessee Secretary of State that acknowledges and verifies the type of ownership as identified by the applicant.

Response: After the initial filing, The Secretary of State's office requested the applicant to file Articles of Amendment. This document was filed on March 18, 2015, and on its face is effective on the date of filing. Attached as Attachment A are copies of the Articles of Amendment and Filing Acknowledgment from the Secretary of State..

Please clarify why the applicant now a PLLC, is filing to be an LLC.

Response: Dr. Schooley was initially under the mistaken impression that the entity should be formed as PLLC. Converting the entity to an LLC provides flexibility for potential ownership by others in the future.

Does the applicant intend to expand the ownership of the LLC in the future? If so, how?

The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201

DAN H. ELROD
615.651.6702
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Response: There is currently no plan or intention to expand ownership, but the applicant would like the flexibility to do so in the future. A circumstance that might give rise to the desire to add other owners is described below in response to item 2 on page 4.

It is noted the applicant will occupy approximately 1,980 square feet at Suite #210, 28 White Bridge Road in leased space formerly occupied by MUA of Middle Tennessee, and operated as an ASTC. However, a review of the lease agreement in the application for MUA of Middle Tennessee, CN1308-031A indicates MUA of Middle Tennessee was located in 5,383 square feet in Suite #208 (not Suite #210) 28 White Bridge Road, Nashville, TN. Please clarify.

Response: The applicant has reconfirmed with the lessor and by personal inspection the location and size of the space occupied by the ASTC formerly operated by MUA of Middle Tennessee. The certificate of need application filed for that facility was apparently in error, or the owner of the prior facility modified its plans after the certificate of need was granted. The owners of that facility also leased other space in the same building in connection with their chiropractic practice, which may have contributed to the confusion.

What is the applicant's relationship with Tennessee Spine and Nerve, a State of Tennessee Registered Pain Clinic located at Suite #208 (NPI # 1861752115), 28 White Bridge Road, Nashville, TN and also listed as Suite #209 under NPI # 1821024530?

Response: The applicant and its sole owner have no relationship with Tennessee Spine and Nerve.

2. Section B, (Project Description) Item 1

Please provide the following items in regards to spinal cord neurostimulators implantation surgery for pain management:

- An overview of neurostimulators implantation surgery.
- Please clarify why an ASTC is needed for the implantation of neurostimulators.
- Can this surgery be conducted in an office setting?
- Is a sterile procedure room required?
- Who is a good candidate for the surgery?

Response: In this procedure, the provider places electrodes in the epidural space to relieve pain and reduce or eliminate spasms. When the patient is prepped and anesthetized, the provider advances a needle into the epidural space, under fluoroscopic guidance, and guides a percutaneous electrode through the needle up to the mid thoracic spine and attaches an external stimulator to the other free end of the electrode. The provider checks for the different combinations between the electrodes and the leads until the stimulator generates parenthesias that the patient feels. The provider then detaches the external unit, checks the impedance in the leads, and attaches the leads to the skin.

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This procedure requires that 2 (two) leads be implanted in the patient's epidural space, each with 8 (eight) electrodes for a total of 16 (sixteen) electrodes that connect to the external generator to provide neurostimulation. These leads are represented by CPT code 63650 for the 1st lead, and then CPT code 63650 with a modifier -59 appended to represent a distinct procedural service for the 2nd lead, which is reimbursed at 50% of the Medicare allowable for 63650.

In order for a neurostimulator to be implanted safely, the physician must have access to the following:

- *Leaded room*
- *C-Arm fluoroscopic device with x-ray*
- *Adjustable C-Arm procedure table*
- *Sterile environment*
- *Adequate recovery room accommodations for a minimum of 1.5 hours with post procedure monitoring by clinical staff and education by clinical staff and vendor on device operation and function.*

In theory, the procedure could be conducted in an office setting, provided it is equipped, staffed and has all physical capabilities of an ASTC . Due to the nature of the procedure with leads being inserted into the patient's epidural space and with the generator being externalized, the risk for infection is moderately high and this procedure must be performed in a sterile environment to protect the patient and ensure the best possible outcome.

A good candidate for this procedure is an individual who suffers from chronic pain from various conditions, such as:

- *Nerve root injuries, post-surgical or post-traumatic including post-laminectomy or "failed back syndrome"*
- *Complex regional pain syndrome I & II*
- *Intercostal neuralgia*
- *Cauda equina injury*

***AND** who meets all of the following:*

- *The patient has failed other treatment modalities (pharmacological, surgical, physical therapy and psychological);*
- *The patient has undergone careful screening, evaluation and diagnosis by a multidisciplinary team prior to implantation;*
- *The patient has a desire to improve their to function and participate in activities of daily living without being impeded by chronic, and often times debilitating, pain.*

Other than spinal cord neurostimulators implantation surgery, what other types of pain management procedures does the applicant plan to provide in the proposed ASTC? If possible, please list by CPT code.

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Response: The applicant has not yet determined with certainty if other procedures will be performed in the facility. This determination is related to the response to the next item. Other pain management procedures that may be performed are injections of therapeutic agents to alleviate pain in the sacral, lumbar, thoracic and cervical areas of the spine (CPT codes, 64483, 62311, 64490 and 64493).

The applicant notes other physicians at Neurosurgical Associates may want to perform spinal injection procedures for pain management in the future. Please clarify why those physicians are not planning to use the proposed ASTC at this point in time. Where are those procedures currently being performed?

Response: The physicians in Neurosurgical Associates ("NA") intend to undertake a strategic review and modification of their practice over the next 18-24 months. The plan is to implement a more comprehensive model of care for their patients, including interventional pain management procedures. Currently, Dr. Schooley is the only physician at NA who is trained and qualified to perform pain procedures. NA assumes that Dr. Schooley will continue to be the only member of the group performing pain management procedures, with the other members of the group referring their patients to Dr. Schooley for these procedures. On the other hand, it is possible that the volume of procedures will exceed Dr. Schooley's capacity, in which case others in the group will obtain additional training to perform pain management procedures described in the preceding item at the proposed ASTC.

According to the Neurological Associates web-site, the practice group is located in 18 Middle Tennessee cities, including Nashville, TN. Which of those 18 locations does Dr. William Schooley practice?

Response: Nashville, Murfreesboro, Mt. Juliet and Brentwood

Please clarify which hospital(s) Dr. Schooley currently has privileges.

Response: Centennial Medical Center and Saint Thomas West. Almost all of Dr. Schooley's surgery is performed at Centennial.

Why is neurostimulator implantation surgery a low priority for Centennial Medical Center?

Response: The applicant believes it is a low priority as because it is a low volume procedure. The heavy users of Centennial Surgery Center have routine blocks of time on the surgery schedule, which make it difficult for occasional users like Dr. Schooley to schedule patients.

Why does Dr. Schooley not have control over the staff or type of neurostimulator available for his patients at Centennial Surgery Center?

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Response: As at any ASTC, Centennial Surgery Center exercises control over the hiring and scheduling of its staff, and over the medical devices to be implanted in patients.

The applicant notes Centennial Surgery Center is located in a congested high traffic area. How much less congested is White Bridge Road than the current CSC site?

Response: The applicant is unaware of any metric to compare the degree of congestion. The Centennial Surgery Center is essentially embedded in the Centennial Medical Center complex, which can be confusing to patients, particularly those who are not familiar with the surroundings or distracted by pain. In addition, patients are expected to park in a garage that is frequently full, with parking diverted to other locations. On the other hand, the location on White Bridge Road is in an office building that is well-marked and surrounded by abundant surface parking, which makes it much easier to identify the correct location and get to the right place.

Please clarify if all three TennCare managed care organizations currently reimburse for neurostimulator implantation surgery.

Response: Yes, all three managed care organizations operating in Middle Tennessee reimburse for the procedure.

Please clarify the reasons Medtronic devices are preferred over others.

Response: The two mostly commonly used devices in the market are manufactured by Medtronic and Boston Scientific. The Medtronic devise is MRI-safe (can be safely left in place during an MRI), whereas the Boston Scientific device is not MRI-safe. Dr. Schooley has also experienced excellent support from Medtronic, including presence of Medtronic representatives during procedures with no additional charge.

The applicant proposes to use the ASTC 2 days per month. How will the ASTC be used for the remaining 18 business days per month?

Response: There is no plan at this time for the other 18 days, but as discussed above, the expanded focus of Neurosurgical Associated on pain management may lead to more utilization of the facility. It should be noted that this facility was built and equipped as an ASTC, and it would simply be a wasted resource in the absence of the proposed use by the applicant.

Has the applicant investigated as to whether there is availability at another ASTC that performs pain management procedures in the service area, that would make neurostimulator procedures a higher priority and uses Medtronic devices (especially in Rutherford County where the largest number of the applicant's patients reside)?

Response: The applicant has not investigated this option. Performing these procedures in another facility would not provide the applicant the degree of control that will be achieved by the proposed ASTC. In addition, the professional reimbursement to

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Dr. Schooley for these procedure is so low that it is difficult if not impossible for Dr. Schooley to perform the procedures in an economically viable manner. By repurposing an facility that is no longer used and would otherwise be a wasted resource, the applicant has created cost-efficient model for Dr. Schooley to provide this service to his patients and the patients of other members of Neurosurgical Associates. In addition, Dr. Schooley and his colleagues at Neurosurgical Associates have a strong preference for these procedures to be performed at a facility that is relatively close to Centennial Medical Center. Neurosurgical Associates provides the neurosurgical call coverage for Centennial, and if a patient were to need hospitalization, the patient would be seen by one of the physicians at Neurosurgical Associates.

Please list other providers in the proposed service area that provides neurostimulator implantation surgery.

Response: Comprehensive Pain Specialists (Drs. Kroll, Dickerson and McHugh, and The Pain Management Group (Drs. Leone and Hill). The physicians at Pain Management Group perform the procedures at their own ASTC.

Please complete the following table of reimbursement in different settings to implant a spinal cord neurostimulator.

Procedure (Implantation of spinal cord neurostimulator)	CPT Code	Office Practice	Certified Pain Management Clinic	ASTC	Hospital
Reimbursement (Medicare)		$	$	$	$

Response: The table has been modified to show (1)both of the CPT codes involved; (2) the global reimbursement in the case of an office or pain management clinic; and (3)the professional fees and facility fees in the case of an ASTC and hospital.

Procedure (Implantation of spinal cord neurostimulator)	CPT Code(s)	Office Practice (Global)	Certified Pain Management Clinic (Global)	ASTC (Professional)	ASTC (Facility)	Hospital (Professional)	Hospital (Facility)
	63650	$1,229.05	$1,229.05	$398.74	$3,533.22	$398.74	$4,857.06
	63650-59	$614.53	$614.53	$199.37	$1,766.61	$199.37	$2,428.53
	TOTALS	**$1,843.58** (Global)	**$1,843.58** Certified Pain Management Clinic (Global)	**$598.11** ASTC (Professional)	**$5,299.83** ASTC (Facility)	**$598.11** Hospital (Professional)	**$7,285.59** Hospital (Facility)

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3. Section C, Need Item 1 (Specific Criteria – ASTC) Item 11.a.

Please indicate and list all medically underserved areas in the proposed service area as designated by the United States Resources and Services Administration.

Response: According to the United States Resources and Services Administration website, the following areas are medically underserved: all of Wilson County; the Christiana Division of Rutherford County; and portions of Davidson County, specifically the Bordeaux/Inglewood Division, Census Tracts 0161.00-0171.00, and Census Tracts 0136.01, 0136.02, 0137.00, 0139.00, 0142.00, 0143.00, 0144.00, 0148.00, 0194.00, 0195.00.

4. Section C, Need Item 6

Please indicate the number of implantation of spinal cord neurostimulator surgeries that were performed by Dr. Schooley by the years 2012, 2013, and 2014, respectively.

Response:

2012-51
2013-67
2014-18

The decrease from 2013 to 2014 is based on the issues described elsewhere with regard to scheduling and low reimbursement. The projections in the application are based a combination of cases performed by Dr. Schooley and patients who would qualify for the procedure and who are currently referred to other physicians by Dr. Schooley and the other members of Neurosurgical Associates.

5. Section C, Need Item 4 (Service Area Demographics)

The demographic table provided by the applicant on page 16 is noted. Please indicate the current and projected years used in the table.

Response: The current year used in the table is 2015 and the projected year is 2016. The source of the information is the Tennessee Department of Health.

6. Section C. Economic Feasibility Item 2 Funding

The personal financial statement from the applicant is noted. However, please provide a letter from a Bank, Accountant, or financial institution that verifies the availability of funds to finance the proposed project.

Response: Enclosed as Attachment B.

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7. Section C. Economic Feasibility Item 2 Projected Data Chart

The applicant designated $40,000 in the Projected Data Chart for Legal/CON fees under D.9 "other expenses". Please clarify why this expense is included in the Projected Data Chart.

Response: The Chart should have labeled this line "Legal", rather than "Legal/CON, and this numbers represents projected legal fees for licensing, compliance, contracting, etc. A revised page 25 is enclosed as Attachment C.

The applicant designated $5,000 for credentialing expenses under D.9 "other expenses". Please clarify.

Response: This is the projected fee for consulting services in connection with accreditation.

8. Section C. Economic Feasibility Item 9

The estimated dollar amount of the expected payor mix for the first year is noted. However, please provide the percentage of total project revenue anticipated from TennCare, Medicare or other state or federal sources for the first year of operation.

Response: The original application erroneously labeled the Medicare category as self-pay. In the course of reviewing this response, the Applicant also identified arithmetical errors. A revised page 27, including the requested percentages, is included as Attachment D.

Please clarify the reason there is no projected revenue from Medicare for the proposed project. Please clarify if neurostimulator procedures and devices are covered under Medicare as a reimbursable service.

Response: See above. The procedure is covered by Medicare.

9. Section C. Economic Feasibility Item 11

The applicant proposes to lease an ASTC, but only provide services 2 days per month. Please indicate if the applicant pursued a lease arrangement with a physician office practice or existing ASTC in the proposed service area. In your response, please discuss if the development of such alternative is practicable and reasons why such alternatives were rejected.

Response: It is highly unlikely that a physician or group of physicians that has constructed and equipped a suitable facility would be willing to share it with an unrelated physician, and such an option was not explored. This application is based on the lease of an existing ASTC facility with an expired license, and the practical and economic consequences are the same as if the Applicant had leased an ASTC that already had a valid license. In either instance, the Applicant would have been required to obtain

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its own certificate of need and license to operate the facility during the time it has control of it. If the situation this question intends to address is a block time arrangement (as opposed to a lease), then this alternative is not workable because of the control and economic issues addressed previously (p. 6). In any event, the Applicant believes it has developed a cost-effective proposal that uses a health care asset that otherwise would be wasted.

10. Section C. Contribution to Orderly Development Item 3.

Please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Response:

Position	Projected Hourly Wage		2014 Tennessee DOL Occupational Wage Data	
			Hrly Mean Wage	Hrly Median Wage
Health Technologist - Code 29-209	$35.00		$31.00	$27.97
Registered Nurse - Code 29-114	$35.00		$28.00	$28.36

Very truly yours,

BUTLER SNOW LLP

Dan H. Elrod

clw
Attachments

SUPPLEMENTAL #1
March 24, 2015
2:25 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Turner Surgery Center

I, Dan Elrod, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24th day of March, 2015, witness my hand at office in the County of Davidson, State of Tennessee.

Sharron C. Couch
NOTARY PUBLIC

SHARRON C. COUCH
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAR. 8, 2016

My commission expires 3-8-2016.

HF-0043

Revised 7/02

SUPPLEMENTAL #1
March 24, 2015
2:25 pm

Attachment A

SUPPLEMENTAL #1

March 24, 2015

2:25 pm

STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

TURNER SURGERY CENTER, LLC
STE 110
7516 HIGHWAY 70 S
NASHVILLE, TN 37221-1850

March 18, 2015

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepancies.

Control # : 780461 Status: Active
Filing Type: Limited Liability Company - Domestic

Document Receipt

Receipt # : 001913726 Filing Fee: $20.00

Payment-Check/MO - NEUROSURGICAL ASSOCIATES, NASHVILLE, TN $20.00

Amendment Type: Articles of Amendment Image # : B0069-1694
Filed Date: 03/18/2015 2:08 PM

This will acknowledge the filing of the attached articles of amendment with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number given above.

You must also file this document in the office of the Register of Deeds in the county where the entity has its principal office if such principal office is in Tennessee.

Tre Hargett
Secretary of State

Processed By: Dawn Whittaker

Field Name	Changed From	Changed To
Business Type	Professional Limited Liability Company	Bank (LLC)
Filing Name	Turner Spine Institute, PLLC	TURNER SURGERY CENTER, LLC

SUPPLEMENTAL #1

March 24, 2015
2:25 pm

State of Tennessee

Department of State
Corporate Filings
312 Rosa L. Parks Ave.
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF AMENDMENT TO ARTICLES OF ORGANIZATION (LLC)

For Office Use Only

FILED

LIMITED LIABILITY COMPANY CONTROL NUMBER (IF KNOWN) _____

PURSUANT TO THE PROVISIONS OF §48-209-104 OF THE TENNESSEE LIMITED LIABILITY COMPANY ACT OR §48-249-204 OF THE TENNESSEE REVISED LIMITED LIABILITY COMPANY ACT, THE UNDERSIGNED ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS ARTICLES OF ORGANIZATION:

PLEASE MARK THE BLOCK THAT APPLIES:

☒ AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.

☐ AMENDMENT IS TO BE EFFECTIVE _____, _____(DATE) _____(TIME).

(NOT TO BE LATER THAN THE 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING.

1. PLEASE INSERT THE NAME OF THE LIMITED LIABILITY COMPANY AS IT APPEARS ON RECORD: TURNER SPINE INSTITUTE, PLLC

IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:

TURNER SURGERY CENTER, LLC

2. PLEASE INSERT ANY CHANGES THAT APPLY:

A. PRINCIPAL ADDRESS: _____
STREET ADDRESS

_____
CITY STATE/COUNTY ZIP CODE

B. REGISTERED AGENT: _____

C. REGISTERED ADDRESS: _____
STREET

TN
CITY STATE ZIP CODE COUNTY

D. OTHER CHANGES: CONVERTING PLLC TO LLC IN THIS FILING

3. THE AMENDMENT WAS DULY ADOPTED ON MARCH (MONTH) 17 (DAY) 2015 (YEAR)

(If the amendment is filed pursuant to the provision of §48-209-104 of the TN LLC Act, please also complete the following by checking one of the two boxes:) AND THE AMENDMENT WAS DULY ADOPTED BY THE

☐BOARD OF GOVERNORS WITHOUT MEMBER APPROVAL AS SUCH WAS NOT REQUIRED

☐MEMBERS

OWNER
SIGNER'S CAPACITY

SIGNATURE

WILLIAM ROY SCHOOLEY, MD
NAME OF SIGNER (TYPED OR PRINTED)

SS-4247 (REV. 01/06) Filing Fee: $20.00 RDA 2458

SUPPLEMENTAL #1
March 24, 2015
2:25 pm

Attachment B

SUPPLEMENTAL #1

March 24, 2015
2:25 pm

MEDICAL PRACTICE MANAGEMENT, INC.
2200 21ST AVENUE SOUTH
SUITE 248
NASHVILLE, TENNESSEE 37212
(615) 329-3603
FAX (615) 329-4934

March 19, 2015

To: Whom It May Concern

Re: William R. Schooley M.D.

Please be advised that our firm provides accounting services for Neurosurgical Associates, a general partnership in which Dr. William Schooley has been a twenty percent owner for the past twenty five years. The cash flow generated by Dr. Schooley as a partner in this medical practice is more than sufficient to cover and capital equipment and operational needs of his outpatient surgery center project.

If I can provide any additional information, please do not hesitate to contact me.

Sincerely,

Glenn D. Allen

President

SUPPLEMENTAL #1
March 24, 2015
2:25 pm

Attachment C

SUPPLEMENTAL #1

March 24, 2015
2:25 pm

HISTORAL DATA CHART – OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year _____	Year _____	Year _____
1.	$_____	$_____	$_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
Total Other Expenses	$_____	$_____	$_____

PROJECTED DATA CHART – OTHER EXPENSES

OTHER EXPENSES CATEGORIES	Year _____	Year _____
1. IT Lines	$ 9,600	$ 9,600
2. Billing – 4.5%	27,731.23	36,974.98
3. Repairs & Maintenance	30,812.48	41,083.31
4. Insurance	25,000.00	27,000.00
5. Office Supplies, License Renewal Fees, etc.	14,400.00	15,000.00
6. Credentialing	5,000.00	3,000.00
7. Consulting	10,000.00	5,000.00
8. Compliance	5,000.00	5,000.00
9. Legal	40,000.00	5,000.00
10. Accreditation	20,000.00	5,000.00
Total Other Expenses	**$ 187,543.72**	**$ 152,658.29**

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March 24, 2015
2:25 pm

Attachment D

The applicant intends to serve Medicare, TennCare and medically indigent patients. Dr. Schooley is contracted with all of the TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved to contract with all TennCare MCOs.

The applicant expects the payor mix for the first year of operation to be as follows:

TennCare – $547,720 (39.8%)
Commercial/Self-pay - $456,410 (33.2%)
Medicare - $299,940 (21.8%)
Charity/Bad Debt – $71,490 (5.2%)

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response: The applicant has just been created and has no financial history. Dr. Schooley is the sole owner of Turner Surgery Center, LLC and his financial statement, as of March 9, 2015, is at Attachment C, Economic Feasibility-2.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

    a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

    Response: The applicant believes there is no alternative that would be less costly or more efficient than making use of an existing resource, which in this case is the ASTC formerly operated by MUA of Middle Tennessee.

    b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

    Response: Not applicable (NA).

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Dr. Schooley, who will be the only physician performing services for the applicant is part of Neurosurgical Associates, a six-physician group. Additionally, Dr. Schooley is contracted with all TennCare MCOs in the region, and over 40% of his patients are TennCare enrollees. The applicant intends for the ASTC, if approved, to contract with all TennCare MCOs.

ORIGINAL SUPPLEMENTAL-2

Turner Surgery Center

CN1503-009

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SUPPLEMENTAL

March 31, 2015

VIA HAND DELIVERY

Phillip Earhart
HSD Examiner
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Certificate of Need Application CN1503-009
Turner Surgery Center

Dear Mr. Earhart:

Responses to the questions in your letter dated March 30, 2015, are below. Please let us know if you need additional information.

1. Section C, Need Item 4 (Service Area Demographics)

The current and projected years used in the table on page 16 is noted. However, please revise and resubmit the table to reflect a current year (CY) of 2015 and a projected year (PY) of 2019.

Response: Revised pages 16 and 17 are attached as Attachment A.

2. Section C, Need Item 6

The number of spinal cord neurostimulator implantation surgeries that were performed by Dr. Schooley in years 2012 (51), 2013 (67) and 2014 (18) are noted. The applicant states the decrease from 2013 to 2014 is based on scheduling and low reimbursement. Please clarify the reasons scheduling and low reimbursement were not issues in 2012 and 2013.

Response: Effective April 1, 2014, CMS changed its policy regarding reimbursement for in-office neurostimulator procedures. This change eliminated from the global payment any reimbursement for the neurostimulator devices themselves, thus reducing global reimbursement from approximately $5,500 to slightly over $600, less than the actual cost of performing the procedure in an in-office setting. This change also had the practical

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150 3rd Avenue South, Suite 1600
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F 615.651.6701
www.butlersnow.com

SUPPLEMENTAL

effect of directing patients to a facility-based setting for the procedure, whereupon Dr. Schooley and his patients encountered the scheduling problems previously described.

3. Section C, Economic Feasibility Item 2 Funding

The letter from Medical Practice Management, Inc. verifying cash flow to cover the proposed project is noted. However, please provide a letter from a Bank, Certified Public Accountant, or financial institution that verifies the availability of $547,150 (cash reserves) from Turner Surgery Center, LLC to finance the proposed project.

Response: The total on the Project Cost Chart of $547,150 is significantly more than the actual investment required because (1) this total includes the total of lease payments for the facility and equipment paid for the initial 5 year period, and (2) the facility will achieve positive financial results early in the first year and thereafter it will be self-sustaining. Because of the limited amount of initial funds required, Dr. Schooley prefers not to incur any debt in connection with the project, and a loan has not been pursued. As indicated on Dr. Schooley's financial statement, he has liquid and immediately available assets (cash and securities) with a total value of approximately $130,000. These assets combined with the cash flow from his practice (as confirmed by the prior letter from Medical Practice Management, Inc.) provide more than adequate funds to meet the expenses of the project until it is profitable.

Very truly yours,

BUTLER SNOW LLP

Dan H. Elrod

clw
Attachments

Attachment A

Currently over 40% of Dr. Schooley's patients are TennCare enrollees. Consistent with Dr. Schooley's history, the applicant intends to contract with all of the TennCare MCOs serving Middle Tennessee and to participate in the Medicare program.

a. Applications that include a Change of Site for a proposed new health care institution (one having an outstanding and unimplemented CON), provide a response to General Criterion and Standards (4)(a-c) of the Guidelines for Growth.

Response: Not applicable (NA).

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

The applicant does not currently have any long-range development plans for this facility. As described elsewhere in the application, Dr. Schooley will initially be the only physician using the facility, and although there are no definitive plans at this time to expand the facility's use, other physicians may want to use the facility in the future to perform spinal injection and other pain management procedures on their patients. If this occurs, the project will expand in that the utilization rate of the facility will increase.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

The applicant considers Davidson, Rutherford and Wilson counties as its primary service area, as approximately 50% of Dr. Schooley's patients reside in these counties (Davidson – 19%, Rutherford – 24%, Wilson – 7%). In light of how widely scattered Dr. Schooley's patients are, and because the only meaningful concentration of patients occurs in Davidson, Rutherford and Wilson counties, the applicant has determined that these three counties should be identified as the service area for this project.

See Attachment C, Need – 3.

4. A. 1) Describe the demographics of the population to be served by this proposal.

2) Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area:

Demographic Variable/ Geographic Area	Davidson County	Rutherford County	Wilson County	Service Area Total	State of TN Total
Total Population – Current Year (2015)	663,151	302,237	126,472	1,091,860	6,649,438
Total Population – Projected Year (2019)	688,318	338,904	135,567	1,162,789	6,894,997
Total Population - % change	3.7%	12.1%	7.2%	6.5%	3.7%

Demographic Variable/ Geographic Area	Davidson County	Rutherford County	Wilson County	Service Area Total	State of TN Total
*Target Population – Current Year (2015)	77,086	28,650	18,939	124,675	1,012,937
*Target Population – Projected Year (2019)	88,812	34,874	22,683	146,369	1,134,565
Target Population - % Change	15.2%	21.7%	19.7%	17.4%	12%
Target Population – Projected Year (2019) as % of Total	12.9%	10.2%	16.7%	12.6%	16.4%
Median Age	33.9	32.2	39.3	35.13	38
Median Household Income	$47,335	$55,401	$60,390	$55,401	$44,298
TennCare Enrollees	133,164	42,469	16,506	192,139	1,324,208
TennCare Enrollees as % of Total	20.08%	14.05%	13.05%	17.59%	19.91%
Persons Below Poverty Level	121,841.4	36,533.7	12,438.4	170,813.5	1,143,292.1
Persons Below Poverty Level as % of Total	18.5%	13.0%	10.2%	16.0%	17.6%

**Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for the discontinuance of OB services would mainly affect Females Age 15-44; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. For projects not having a specific target population use the Age 65+ population for the target population variable.*

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: The focus of the project will be individuals suffering significant, chronic pain, who are in need of pain management care. The location of the proposed facility will increase access for Dr. Schooley's patients, as the location is in a less-congested area than CSC, the only other facility with which Dr. Schooley has privileges to provide implantation services for pain management. Additionally, the applicant expects to be contracted with all TennCare MCOs that operate in Middle Tennessee, and the facility will be accessible to low income individuals.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. Projects including surgery should report the number of cases and the average number of procedures per case.

SUPPLEMENTAL

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Turner Surgery Center

I, Dan Elrod, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 31st day of March, 2015, witness my hand at office in the County of Davidson, State of Tennessee.

Sharron C. Couch
NOTARY PUBLIC

SHARRON C. COUCH
STATE OF TENNESSEE
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAR. 8, 2016

My commission expires March 8, 2016.

HF-0043

Revised 7/02

State of Tennessee
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

March 19, 2015

Dan Elrod
Butler Snow LLP
150 3rd Avenue South, Suite 1600
Nashville, TN 37201

RE: Certificate of Need Application CN1503-009
Turner Surgery Center

Dear Mr. Elrod:

This will acknowledge our March 13, 2015 receipt of your application for a Certificate of Need to establishment a single specialty ambulatory surgical treatment center located at Suite 210, 28 White Bridge Road, (Davidson County), TN 37205. The ASTC will be limited to implantation of spinal neurostimulator devices and other pain management procedures.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 9:00 a.m., Thursday, March 26, 2015. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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1. **Section A, Applicant Profile, Item 3**

   It is noted the applicant was originally organized as Turner Spine Institute, PLLC and has filed documents to change the entity to Tuner Surgery Center, Inc. Please provide a copy of documentation from the Tennessee Secretary of State that acknowledges and verifies the type of ownership as identified by the applicant.

   Please clarify why the applicant now a PLLC, is filing to be an LLC.

   Does the applicant intend to expand the ownership of the LLC in the future? If so, how?

It is noted the applicant will occupy approximately 1,980 square feet at Suite #210, 28 White Bridge Road in leased space formerly occupied by MUA of Middle Tennessee, and operated as an ASTC. However, a review of the lease agreement in the application for MUA of Middle Tennessee, CN1308-031A indicates MUA of Middle Tennessee was located in 5,383 square feet in Suite #208 (not Suite #210) 28 White Bridge Road, Nashville, TN. Please clarify.

What is the applicant's relationship with Tennessee Spine and Nerve, a State of Tennessee Registered Pain Clinic located at Suite #208 (NPI # 1861752115), 28 White Bridge Road, Nashville, TN and also listed as Suite #209 under NPI # 1821024530?

2. **Section B, (Project Description) Item 1**

Please provide the following items in regards to spinal cord neurostimulators implantation surgery for pain management:

- An overview of neurostimulators implantation surgery.
- Please clarify why an ASTC is needed for the implantation of neurostimulators.
- Can this surgery be conducted in an office setting?
- Is a sterile procedure room required?
- Who is a good candidate for the surgery?

Other than spinal cord neurostimulators implantation surgery, what other types of pain management procedures does the applicant plan to provide in the proposed ASTC? If possible, please list by CPT code.

The applicant notes other physicians at Neurosurgical Associates may want to perform spinal injection procedures for pain management in the future. Please clarify why those physicians are not planning to use the proposed ASTC at this point in time. Where are those procedures currently being performed?

According to the Neurological Associates web-site, the practice group is located in 18 Middle Tennessee cities, including Nashville, TN. Which of those 18 locations does Dr. William Schooley practice?

Please clarify which hospital (s) Dr. Schooley currently has privileges.

Why is neurostimulator implantation surgery a low priority for Centennial Medical Center?

Why does Dr. Schooley not have control over the staff or type of neurostimulator available for his patients at Centennial Surgery Center?

The applicant notes Centennial Surgery Center is located in a congested high traffic area. How much less congested is White Bridge Road than the current CSC site?

Please clarify if all three TennCare managed care organizations currently reimburse for neurostimulator implantation surgery.

Please clarify the reasons Medtronic devices are preferred over others.

The applicant proposes to use the ASTC 2 days per month. How will the ASTC be used for the remaining 18 business days per month?

Has the applicant investigated as to whether there is availability at another ASTC that performs pain management procedures in the service area, that would make neurostimulator procedures a higher priority and uses Medtronic devices (especially in Rutherford County where the largest number of the applicant's patients reside)?

Please list other providers in the proposed service area that provides neurostimulator implantation surgery.

Please complete the following table of reimbursement in different settings to implant a spinal cord neurostimulator.

Procedure (Implantation of spinal cord neurostimulator)	CPT Code	Office Practice	Certified Pain Management Clinic	ASTC	Hospital
Reimbursement (Medicare)		$	$	$	$

3. **Section C, Need Item 1(Specific Criteria –ASTC) Item 11.a.**

   Please indicate and list all medically underserved areas in the proposed service area as designated by the United States Resources and Services Administration.

4. **Section C, Need Item 6**

   Please indicate the number of implantation of spinal cord neurostimulator surgeries that were performed by Dr. Schooley by the years 2012, 2013, and 2014, respectively.

5. **Section C, Need Item 4 (Service Area Demographics)**

   The demographic table provided by the applicant on page 16 is noted. Please indicate the current and projected years used in the table.

6. **Section C. Economic Feasibility Item 2 Funding**

   The personal financial statement from the applicant is noted. However, please provide a letter from a Bank, Accountant, or financial institution that verifies the availability of funds to finance the proposed project.

7. **Section C. Economic Feasibility Item 2 Projected Data Chart**

   The applicant designated $40,000 in the Projected Data Chart for Legal/CON fees under D.9 "other expenses". Please clarify why this expense is included in the Projected Data Chart.

   The applicant designated $5,000 for credentialing expenses under D.9 "other expenses". Please clarify.

8. **Section C. Economic Feasibility Item 9**

   The estimated dollar amount of the expected payor mix for the first year is noted. However, please provide the percentage of total project revenue anticipated from TennCare, Medicare or other state or federal sources for the first year of operation.

   Please clarify the reason there is no projected revenue from Medicare for the proposed project. Please clarify if neurostimulator procedures and devices are covered under Medicare as a reimbursable service.

9. **Section C. Economic Feasibility Item 11**

   The applicant proposes to lease an ASTC, but only provide services 2 days per month. Please indicate if the applicant pursued a lease arrangement with a physician office practice or existing ASTC in the proposed service area. In your response, please discuss if the development of such alternative is practicable and reasons why such alternatives were rejected.

10. **Section C. Contribution to Orderly Development Item 3.**

    Please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is May 18, 2015. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be

delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. э 68-11-1607(d):

(1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

(2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Phillip Earhart
HSD Examiner